
CITY OF ST. PETERS, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2017



Submitted By:

Beth A. French
Director of Finance

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Introductory Section

**City of
St. Peters**



February 9, 2018

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, 2017, 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 22.46 square miles and services a population of approximately 52,575. The City is traversed by Interstate 70, which provides direct access to St. Louis, approximately 20 miles east of the City, and to Kansas City, approximately 220 miles west of the City. Regularly scheduled air passenger and freight service is available at Lambert St. Louis International Airport located approximately 12 miles east of the City on Interstate 70. Commercial air service is available at two private airports within St. Charles County and at a public airport operated by St. Charles County. Barge service is available on the Mississippi River located approximately 5 miles from St. Peters. The City is served by two railroads; the Norfolk & Southern and the Burlington-Northern, and three common-carrier truck lines.

The legislative body of the City is the Board of Aldermen, which is comprised of eight aldermen and a mayor. Two aldermen are elected from each of the City's four wards and serve four-year terms. The Mayor, elected at

large to serve a four-year term, is the presiding officer of the Board of Aldermen. The Mayor may vote in the event of a tie vote by the Board of Aldermen. Additionally, the Mayor has veto power. A City Administrator is appointed by the Mayor with the advice and consent of the Board of Aldermen. The City Administrator is the chief assistant to the Mayor and is responsible for the day-to-day management of the City's business and staff. The City Administrator is also responsible for the employment and discharge of City employees under policies established by the Board of Aldermen.

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, Tax Increment Financing Commission, Personnel Review Board, St. Peters Green Team, Senior Advisory Committee, Veterans Memorial Commission, Outpatient Surgical Treatment Center Medical Review Board, and the Parks, Recreation, and Arts Advisory 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 560 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 is re-evaluated and updated. The Mayor, Board of Aldermen and 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

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 the City, Mid Rivers Mall (the "Mall"), is also the largest shopping center in the County. The Mall opened in 1987. The Mall contains approximately 1,000,000 square feet with a food court, a 14-screen Wehrenberg Theater, and approximately 120 stores including the following anchors: J.C. Penney, Sears, Macy's and Dillards.

In addition, a 245,000 square foot retail development on 25 acres near I-70 and the Mid Rivers Mall Drive began opening stores in calendar year 2017. Other major retailers in the City include Costco, Menards, Great Central Lumber, two Walmart Markets, and a Walmart among others.

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 (60.95 cents in the General Fund and 16.05 cents in the Debt Service Fund) without cutting any City services. The assessed valuation for the City of St. Peters during the 2017 fiscal year was \$1,149,964,768.

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, 2016. 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. I want to specifically acknowledge Rita Westerson, Assistant Director of Finance for her assistance with the preparation of this report.

In closing, without the leadership, interest, and support of the Mayor, Board of Aldermen and the City Administrator, preparation of this report would not have been possible.

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

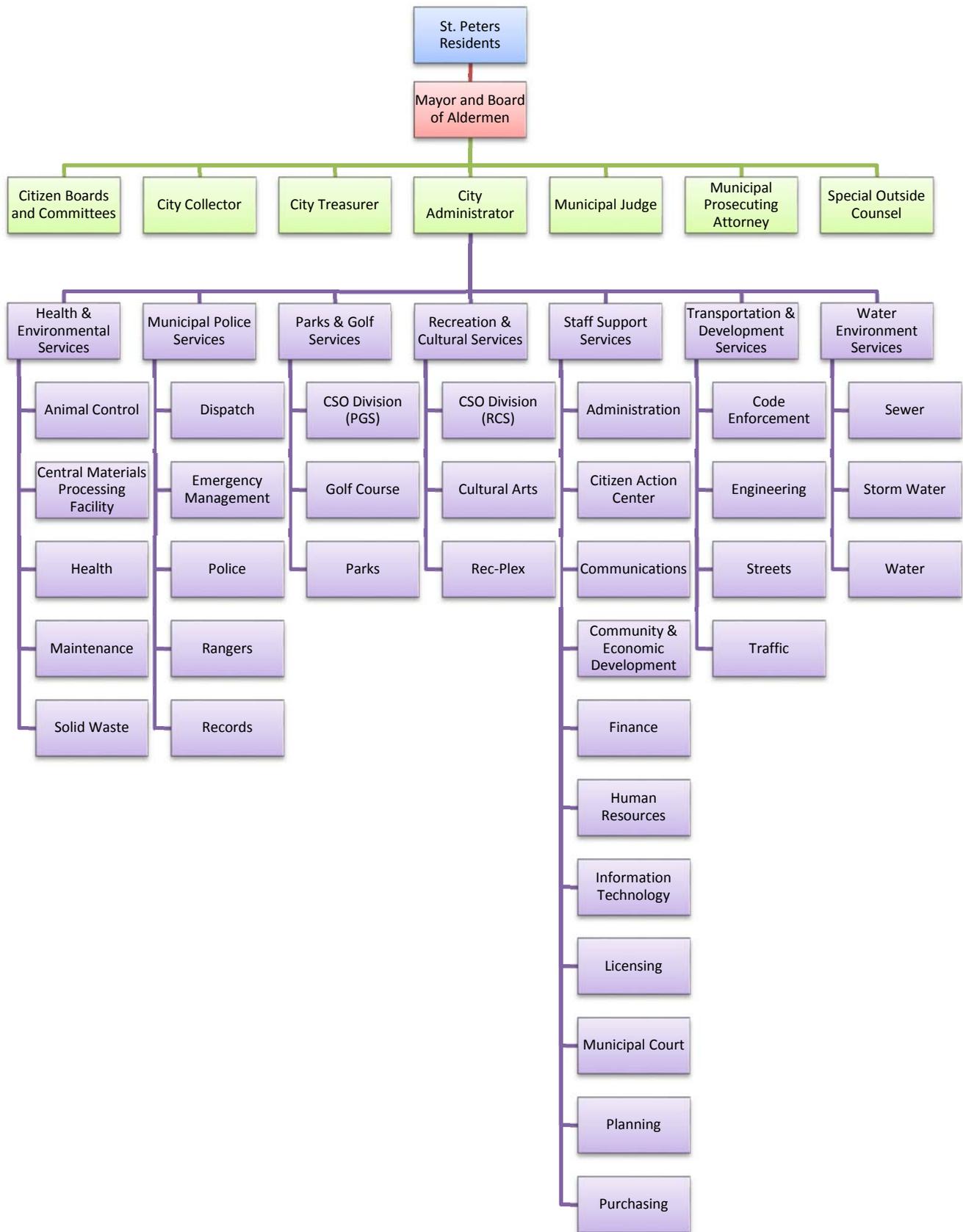
Terri Violet
Michael Shea

Ward IV

Patrick Barclay
Don Aytes

City Administrator

Russ Batzel





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, 2016

Christopher P. Morrill

Executive Director/CEO

Financial Section

**City of
St. Peters**



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 (the "City"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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, 2017, 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 discussed in Note 1 to the financial statements, in 2017 the City adopted new accounting guidance, GASB Statement No. 74 "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" and Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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 78 – 81, and the pension and other post-employment benefit plan related information on pages 82 – 86 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 February 9, 2018, on our consideration of the City of St. Peters, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of St. Peters, Missouri's internal control over financial reporting and compliance.



SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
February 9, 2018

Management's Discussion and Analysis

CITY OF ST. PETERS, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

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, 2017. Please read this section in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceed its liabilities (net position) at the end of the fiscal year by approximately \$343 million. Net position is comprised of: \$316.6 million net investment in capital assets; \$4.5 million restricted for debt service; \$6.2 million restricted for transportation; \$4.1 million for park and storm water; \$3.8 million restricted for other purposes; \$7.3 million unrestricted and available for the City's business-type activities; and \$494,000 unrestricted for governmental purposes.
- Total net position decreased approximately \$2.4 million over the course of this year's operations. Governmental activities decreased by approximately \$1.6, and business-type activities decreased by \$0.8 million. Explanations for these changes will be discussed in more detail throughout this report.
- The City adopted GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", and Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The objective of these statements is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) and revise and establish new financial reporting requirements for most governments whose employees are provided with OPEB. The implementation caused material changes to both the beginning net position and current net position. Due to this implementation beginning net position declined \$2.8 million, of this \$2 million was in the governmental activities and \$800,000 was in the business-type activities. The current year impact of the new guidance decreased net position by \$5.6 million of which \$4.0 million is in governmental activities and \$1.6 million is in business-type activities.
- The City retained the same property tax rate that we have had since 2007 of 77 cents per \$100 of assessed valuation.
- Every other year the value of all real property located within the City is reassessed by the County Assessor. Fiscal year 2017 was a non-reassessment year and overall property values in the City increased by approximately 6.4%. Existing property only increased by .25% but the City gained over 6% from new property. The property previously included in the City Centre Tax Increment Financing (TIF) District shifted to the City's overall assessed values when it terminated three (3) months into the previous fiscal year accounting for approximately \$11 million of the \$70 million increase.
- Sales tax for general, transportation, and local parks declined slightly (1.8%) and sales tax for tax increment financing declined by 43% primarily due to the elimination of the City Centre TIF discussed above. Sales tax previously recorded in this TIF will now be recorded by the respective agencies directly.
- In February the City issued \$12,000,000 Series 2017 General Obligation Bonds in connection with the acquisition, construction, renovation installation and equipping of park and recreational facility improvements. The Series 2017 Bonds bear interest at rates ranging from 3.0% to 3.25% and mature February 2037.
- 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 \$2.0 million. Program revenues are segregated into three areas, charges for services, operating grants and contributions and capital grants and contributions.

CITY OF ST. PETERS, MISSOURI

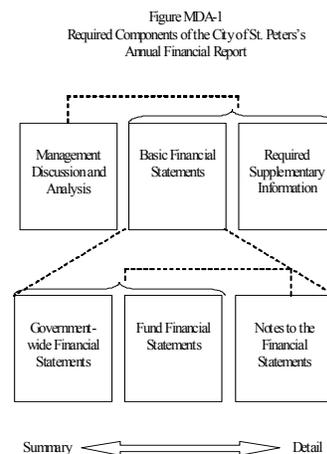
Management's Discussion and Analysis (continued)

- This year grants and contributions decreased \$754,000 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.
- Charges for services increased by \$2.4 million. Charges for services related to governmental activities increased by \$57,000. The majority of this change comes from reduced citation revenue related to the policing activities offset by increased permit revenue from new development within the City. We increased our water and sewer rates by 8.5% and consumption was up by 9.7% resulting in an overall increase in charges for services for this function of \$1.2 million. Increased rates in the solid waste activity along with additional housetops during the year resulted in increased revenue of \$155,000. The central materials processing facility function's revenue increased by \$581,000 from increased outside haulers disposing of their trash at the facility and increased sales price of commodities. Overall recreation charges for services increased by \$460,000 from increased user fees at the REC- PLEX and use of Lakeside 370.
- 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 overall general revenues were flat at approximately \$46.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Proprietary fund statements offer short-and long-term financial information about the activities the government operates like businesses, such as the water and sewer system.
 - Fiduciary fund statements offer short-and long-term financial information about the activities where the government is the trustee or agent for someone else's resources, such as the post retirement benefit plan for City employees.



CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

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

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

Figure MDA-2 Major Features for the City of St. Peters Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police and parks	Activities the City operates similar to private businesses: the waterworks and sanitary sewerage system, the solid waste activities, the City's transfer station and recycling facility (Central Materials Processing Facility), 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

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

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.
- 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.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

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	
	2016	2017	2016	2017	2016	2017
Assets						
Current and other assets	\$ 53,468,084	\$ 61,136,222	\$ 18,771,705	\$ 19,141,092	\$ 72,239,789	\$ 80,277,314
Capital assets (net of depreciation)	326,672,431	337,215,329	90,257,821	89,503,061	416,930,252	426,718,390
Total assets	380,140,515	398,351,551	109,029,526	108,644,153	489,170,041	506,995,704
Deferred outflows of resources	13,364,428	24,796,807	5,191,791	10,268,471	18,556,219	35,065,278
Liabilities						
Long-term obligations	88,952,225	116,744,590	54,203,923	60,265,600	143,156,148	177,010,190
Other liabilities	10,796,835	12,939,067	2,480,905	2,381,079	13,277,740	15,320,146
Total liabilities	99,749,060	129,683,657	56,684,828	62,646,679	156,433,888	192,330,336
Deferred inflows of resources	2,529,389	5,846,079	552,861	921,945	3,082,250	6,768,024
Net position						
Net investment in capital assets	264,195,696	270,597,528	46,625,435	46,015,751	310,821,131	316,613,279
Restricted	18,184,131	16,526,600	2,053,499	2,062,809	20,237,630	18,589,409
Unrestricted	8,846,667	494,494	8,304,694	7,265,440	17,151,361	7,759,934
Total Net Position	\$ 291,226,494	\$ 287,618,622	\$ 56,983,628	\$ 55,344,000	\$ 348,210,122	\$ 342,962,622

As seen in Table MDA-3, the City's total assets of \$507 million include \$80.3 million in current and other assets and \$426.7 million in capital assets.

Citywide assets increased during the fiscal year by \$17.8 million. The majority of this change relates to increased capital assets discussed in detail later and increased cash from unspent bond proceeds discussed previously.

Deferred Outflows of Resources increased by \$16.5 million. The majority of this change is related to the deferred amount of pension calculated in accordance with GASB Statements 68 and 71 and the impact of the first year of GASB Statements 74 and 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions that was discussed earlier.

The City's total liabilities of \$192.3 million include \$177 million that is not due or payable in the next fiscal year and \$15.3 in other liabilities. The \$33.9 million increased in long-term obligations is the result of the previously discussed debt activity and an increase in the Other Post Employment Benefit "OPEB" and Pension Liability offset by debt payments during the year. There was a \$2 million increase in other liabilities primarily from a \$729,000 increase in accounts payable due to timing of payments related to capital projects and a \$971,000 increase in accrued interest on debt.

During the year the City purchased land that included a future commitment to construct certain infrastructure. Due to this transaction we recorded \$2.7 million as a deferred inflow of resources that will be recognized when the improvements are complete. In addition, there was a \$659,000 increase for the deferred amount related to pensions from under GASB 68 and 71 and a decrease in the deferred inflow of \$125,000 from an agreement with the Natatorium Foundation for the parks and recreation function of the City for pool related projects.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

Total net position of approximately \$343 million is comprised of \$316.6 million net investment in capital assets; \$18.6 million restricted for debt service, transportation projects, special allocation projects, local park and storm water projects, and other purposes; \$7.3 million unrestricted and available for the City's business-type activities and \$494,000 unrestricted for governmental purposes.

Changes in Net Position

The City's combined net position changed by less than 1% during fiscal year 2017 as a result of the activity shown in Table MDA-4.

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

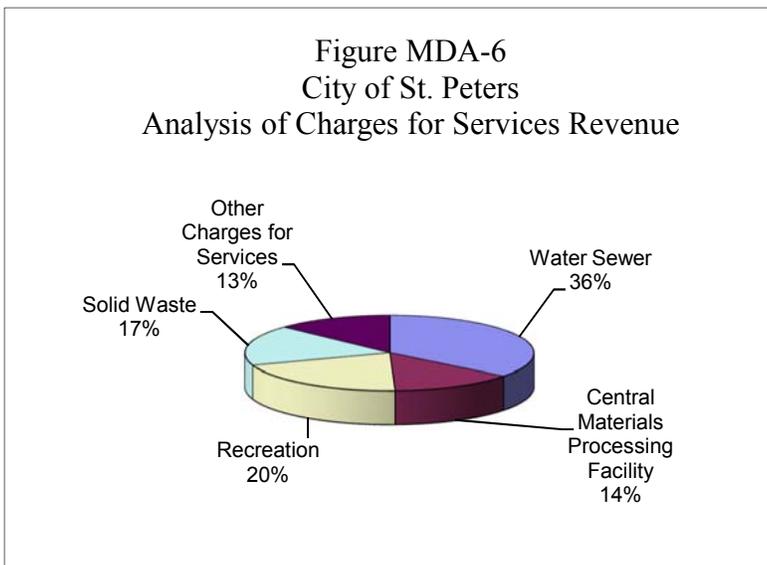
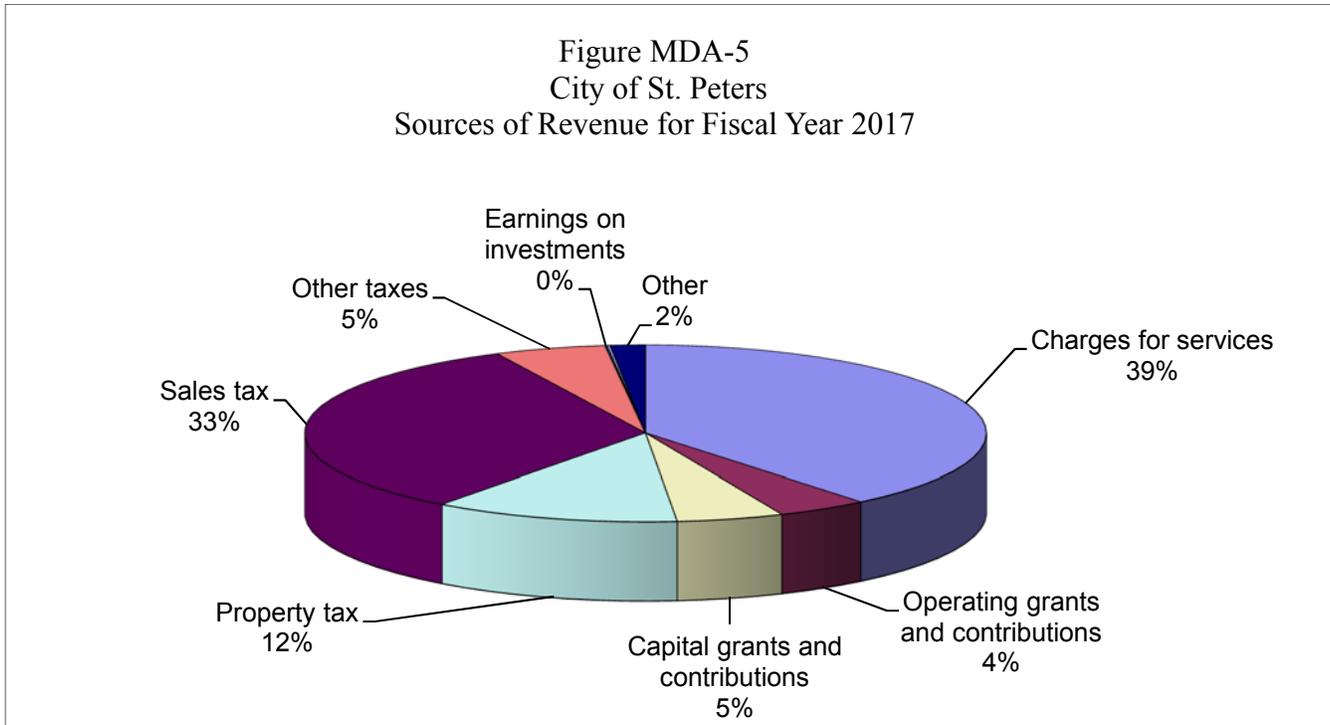
	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Revenues						
Program Revenues						
Charges for services	\$ 4,540,742	\$ 4,598,193	\$ 28,341,362	\$ 30,693,221	\$ 32,882,104	\$ 35,291,414
Operating grants and contributions	3,821,642	3,899,458	-	-	3,821,642	3,899,458
Capital grants and contributions	4,924,161	4,488,078	111,679	74,590	5,035,840	4,562,668
General Revenue						
Property tax	10,090,448	10,500,323	-	-	10,090,448	10,500,323
Sales tax	30,685,115	29,458,446	-	-	30,685,115	29,458,446
Other taxes	4,715,269	4,766,654	-	-	4,715,269	4,766,654
Earnings on investments	61,316	69,422	6,452	14,739	67,768	84,161
Gain on sale of capital assets	12,331	124,933	-	-	12,331	124,933
Other	948,759	1,502,266	-	-	948,759	1,502,266
Total revenues	59,799,783	59,407,773	28,459,493	30,782,550	88,259,276	90,190,323
Expenses						
General government	4,523,861	2,879,310	-	-	4,523,861	2,879,310
Administration	4,770,710	5,376,043	-	-	4,770,710	5,376,043
Police	14,710,038	15,851,135	-	-	14,710,038	15,851,135
Municipal court	457,861	584,940	-	-	457,861	584,940
Public works	16,658,928	17,983,390	-	-	16,658,928	17,983,390
Engineering	2,399,379	2,319,287	-	-	2,399,379	2,319,287
Maintenance	490,325	756,625	-	-	490,325	756,625
Health	881,765	1,818,390	-	-	881,765	1,818,390
Parks and recreation	6,499,501	6,273,040	-	-	6,499,501	6,273,040
Communications	1,068,164	1,182,243	-	-	1,068,164	1,182,243
Community and arts	240,416	265,313	-	-	240,416	265,313
Interest on long-term debt	3,153,241	3,207,959	-	-	3,153,241	3,207,959
Waterworks/sanitary sewer	-	-	12,776,435	13,035,260	12,776,435	13,035,260
Solid waste	-	-	5,745,911	6,404,546	5,745,911	6,404,546
Central materials processing facility	-	-	4,257,057	4,585,327	4,257,057	4,585,327
Recreation	-	-	8,925,693	10,070,155	8,925,693	10,070,155
Total expenses	55,854,189	58,497,675	31,705,096	34,095,288	87,559,285	92,592,963
Increase (decrease) in net position before transfers	3,945,594	910,098	(3,245,603)	(3,312,738)	699,991	(2,402,640)
Transfers	(1,689,438)	(2,494,607)	1,689,438	2,494,607	-	-
Increase (decrease) in net position	2,256,156	(1,584,509)	(1,556,165)	(818,131)	699,991	(2,402,640)
Beginning Net Position	288,970,338	291,226,494	58,539,793	56,983,628	347,510,131	348,210,122
Prior Period Adjustment	-	(2,023,363)	-	(821,497)	-	(2,844,860)
Ending Net Position	\$ 291,226,494	\$ 287,618,622	\$ 56,983,628	\$ 55,344,000	\$ 348,210,122	\$ 342,962,622

For the fiscal year ended September 30, 2017, government-wide revenues totaled \$90.1 million.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

Approximately forty percent 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, Central Materials Processing Facility (CMPF) and other charges for services.

The second largest revenue source for the entire city is sales tax, which during the 2017 fiscal year equaled \$29.5 million. The City of

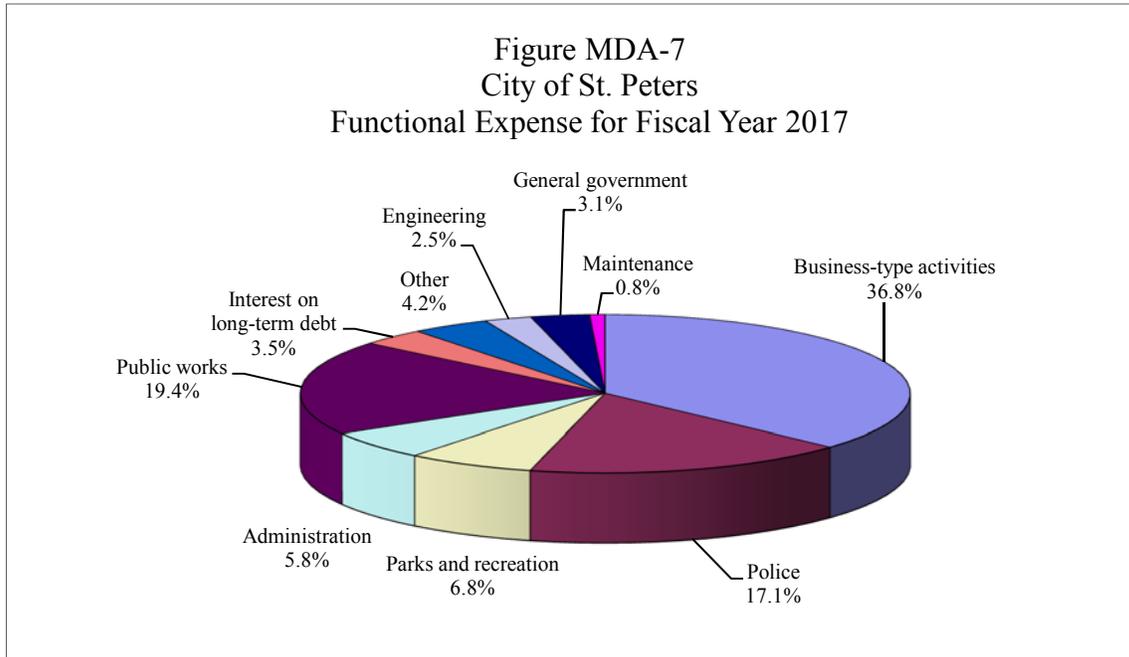
St. Peters has a 1% sales tax to fund general governmental activities, a .5% sales tax that funds the City's transportation activity (road construction and maintenance) and a .5% sales tax for park and storm water activities. In addition, the City has two Tax Increment Financing Districts and sales tax received for these districts is restricted to funding activities within the respective area.

During fiscal year 2017 the total cost of all programs and services increased by 5.7% or \$5 million to a total of \$92.6 million. The City's expenses cover a range of services including parks and recreation, law enforcement, administration and public works. As seen below approximately 37% of all city expenses during the 2017 fiscal

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

year are related to business-type activities. This increase is related primarily to the continued compliance with GASB Statements 68 and 71 and the impact of the first year of GASB Statements 74 and 75. In addition the following occurred; a \$250,000 increase in insurance claims in the police activities, a \$600,000 increase in street repair and maintenance; and increased personnel expense in the health and recreation functions for the first full year of the reorganization that began in fiscal year 2016. These are offset by a \$1.4 million decrease in the governmental function for the loss of payments of PILOTs associated with the City Centre TIF that ended in fiscal year 2016.



Governmental Activities

Revenues for the City's governmental activities total \$59.4 million, of which approximately 50% is sales tax, 18% 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 a prior period adjustment for the implementation of GASB 74 and 75 of \$2.0 million discussed previously and the transfers out from governmental activities of approximately \$1.7 million result in a decrease in net position for the fiscal year of \$1.6 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 \$45.5 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 (\$4.6 million) and from grants and contributions (\$8.4 million). The City paid for the \$45.5 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

	Total Cost of Services	Net Cost of Services
Administration	\$ 5,376,043	\$ 5,376,043
Engineering	2,319,287	2,319,287
General government	2,879,310	599,526
Interest on long-term debt	3,207,959	3,207,959
Other	4,607,511	4,322,656
Parks and recreation	6,273,040	5,921,899
Police	15,851,135	12,788,004
Public Works	17,983,390	10,976,572
	<u>\$ 58,497,675</u>	<u>\$ 45,511,946</u>

Charges for services related to governmental activities increased \$57,000 or about 1%. This change largely relates to decreased revenue from policing activities offset by increased revenue for permits due to economic activity. Governmental capital and operating grants and contributions decreased by \$358,000 primarily related to the decrease in grants received during the year for our parks and recreation function.

General governmental revenues decreased \$896,000 due to the dissolution of the City Centre TIF and decreased transfers from governmental activities offset by increases in property tax and miscellaneous revenue.

Governmental expense increased by approximately 5% or \$2.6 million during fiscal year 2017, some of the significant changes are:

- Significant increases related to OPEB and pension discussed previously. This increase impacted almost all functions in governmental activities.
- The reorganization of personnel in-between various City departments caused changes from last year to this year within the activities.
- A decrease of \$1.6 million in general governmental expense from decreased payments from the City Centre TIF discussed previously of \$1.4 million.

Business-Type Activities

Revenues (excluding transfers) of the City's business-type activities increased \$2.3 million to \$30.8 million; expenses increased by \$2.4 million to a total of \$34.1 million; transfers in during the current fiscal year increased by \$818,131, these changes along with the prior period adjustment for GASB 74 and 75 previously discussed resulted in an overall decrease in net position for the fiscal year of \$818,131. (Refer to Table MDA-4.) Factors contributed to these results included:

- We increased our water and sewer rates by 8.5% and consumption was up by 9.7% resulting in an overall increase in charges for services for this function of \$1.2 million. Increased rates in the solid waste activity along with additional housetops during the year resulted in increased revenue of \$155,000. The central materials processing facility function's revenue increased by \$581,000 from increased outside haulers disposing of their trash at the facility and increased sales price of commodities. Overall recreation charges for services increased by \$460,000 from increased user fees at the REC-PLEX and use of Lakeside 370.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- Capital grants and contributions decreased by \$37,000 due to fewer dedications in our water and sewer operations during the year.
- The general revenues of our Business-type activities showed an \$813,000 increase related to transfers.
- Overall the water and sewer function's expense increased by \$259,000 or about 2.0%. The increased expense is derived from increased personnel costs including the change in pension and OPEB discussed earlier.
- There was a \$659,000 increased in solid waste's expense. The largest increase is due to personnel costs including the change in pension and OPEB discussed earlier of \$542,000. The remaining relates to an increase in disposal fees from increased tonnage collected by the operations.
- Expense for the central materials processing facility function increased during fiscal year 2017 by \$328,000. The largest increase is due to personnel costs including the change in pension and OPEB discussed earlier of \$195,000. The remaining amount relates to an increase in disposal fees of \$83,000 due to increased tonnage processed and \$73,000 from increased overhead allocation and increased cost to purchase commodities that are then recycled and sold at a profit.
- In the recreation function there were various increases and decreases to the expense categories during the year ending in an overall increase of \$1.1 million. The largest increase totals \$995,000 personnel costs from the reorganization and reallocation of staff from the governmental function to this function and the change in pension and OPEB discussed earlier.

FUND FINANCIAL STATEMENTS

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

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

- Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements are prepared on a modified accrual basis, which means they measure only current financial resources, uses and balances of spendable resources available at the end of the fiscal year. Therefore, capital assets and other long-lived assets, along with long-term liabilities, are not presented in the governmental fund statements. Because the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. The City of St. Peters has only one type of proprietary fund, the enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements: the City's waterworks and sewerage system, solid waste activities, transfer station and recycling facility (CMPF), and recreation fund. Proprietary fund statements are

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

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 eleven 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 debt service fund, and the capital projects fund all of which are considered major funds. Data from the other six governmental funds are combined into a single, aggregated presentation.

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

The City's governmental funds reported a combined fund balance of \$52,766,522, an increase of \$6.9 million from the prior fiscal year. Unassigned fund balance constitutes \$6,371,794 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 (\$941,295)
- Restricted for:
 - Transportation (\$6,379,032)
 - Sewer lateral projects (\$970,234)
 - Water line repair projects (\$185,086)
 - Special allocation projects (\$6,262,078)
 - Grants (\$746,158)
 - Debt service (\$2,584,885)
 - Local parks and storm water (\$4,080,144)
 - Police services (\$282,576)
 - Storm water projects (\$4,839,221)
- Committed for:
 - Contingency (\$4,000,000)

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- Assigned for:
 - Capital projects (\$1,983,530)
 - Liquidation of contracts and purchase orders of the prior period (\$518,475)
 - Subsequent year budget (\$1,414,110)
 - Other (\$107,720)

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 2017, the General Fund's fund balance increased by \$2.1 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. Unassigned fund balance represents 20% of the total general fund operating expenditures and total fund balance represents 50% 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:

- An additional \$500,000 appropriated to the Committed Reserve for Contingency bringing the total to \$4,000,000. 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 (\$799,112) (see Note 9 for details).
- Continued efforts to limit operating costs to the amount received in operating resources, not utilizing one-time windfalls to cover everyday expenditures.
- During the year the City issued 23 residential and 25 commercial building permits with estimated construction values of \$6 million and \$90.5 million, respectively. This compares to the prior year of 115 residential and 12 commercial building permits with estimated construction values of \$30.4 million and \$47.7 million, respectively.

The other major funds of the City are the Transportation Trust Fund, the Local Parks and Storm Water Fund, the Debt Service Fund, and the Capital Projects Fund. The fund balance in the Transportation Trust Fund decreased by \$362,000 to \$7 million. The change in fund balance is attributed to expenditures for maintenance of our existing infrastructure and new infrastructure construction of \$10.9 million and debt service and related fees of \$760,000 offset by resources of \$11.3 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 decreased by \$839,000 to \$4.2 million. This fund is used to account for revenues dedicated to park and storm water projects. This revenue from this fund comes from a dedicated sales tax and had \$7.3 million in revenue during the year. The ranger division had expenses of \$585,000. For non-capital items, the parks operations spent \$505,000 and the storm water department spent \$2 million. Capital outlay for the park and storm water operations totaled \$2.7 million (capital outlay is discussed in more detail below). In addition there were \$164,000 in debt service costs and \$2.3 million was transferred to other funds. (See Note 9 for details on transfers).

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

Fund balance in the Debt Service Fund increased by \$640,000 resulting in a total ending balance of \$1.7 million, all of which is available for debt service in future years. All expenditures in this fund related to debt service.

The Capital Projects Fund had a \$5.3 million increase in fund balance. The City issued \$12,000,000 of General Obligation bonds and recorded \$277,000 of bond premium income during the fiscal year to fund park and recreation projects and incurred \$6.9 million in expenditures for storm water and park and recreation projects as allowed by the respective bond restrictions.

The other seven non-major governmental funds had a slight fund balance decrease of \$46,000 to a total of \$8.2 million. Significant changes can be attributed to:

- An increase of \$144,000 in the Sewer Lateral Repair Program Fund to repair our residents' sewer laterals.
- A slight decrease of \$7,000 in the Water Line Repair Program Fund to repair our residents' water lines.
- A decrease of \$344,000 in the Old Town TIF Fund from revenue in the area offset by infrastructure improvements and surplus distributions within the district.
- An increase of \$116,000 in the Lakeside TIF Fund.
- A slight decrease of \$9,000 in the CDBG Sub-Recipient Fund that provides funding to low-to-moderate income projects.
- A new fund was established to repair the sewer laterals for out-of-City users of our Sewer system. The revenue from this program is received from St. Charles County and the fund balance ended at \$54,000 for the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

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 revenue by \$223,800. This net decrease is a combination of increased property tax and sales tax and a decrease in municipal court fines and cost to reflect revised estimates based on current year collections. Court fines and costs are continuing to decrease as the state legislation changes.
- During the course of the year budget adjustments were done to create two new departments within the General Fund. The overall budget was not materially changed since the new departments were split out of existing departments within the General Fund. There was a \$1,000,000 reduction in capital that was budgeted for a new kennel. The City and St. Charles County were able to negotiate a contract that eliminated the need for this expense. We also increased expense by \$410,000 for a land purchase over by Lakeside 370 Park and made some adjustments to carry forward projects that did not get accomplished in the prior fiscal year and increased the transfer to the Post Retirement Fund by \$500,000.
- Increased reserves by \$800,000 for possible future land purchases by Lakeside 370 Park.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

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 \$3.6 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:

- As we have discussed earlier sales tax revenue decreased from the prior year and we ended up \$405,000, or less than 3% under budget.
- 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. As such this revenue source was \$104,000 better than budget.
- Our revenue projections for utility franchise taxes were high by \$304,000. This is an accumulation of actual results less than budget for our electric, natural gas and cable television. The majority of the variance is related to a mild winter compared to estimated revenue that was based on increases from the prior fiscal year.
- Several large building permits were issued during the year causing our license and permit revenue to exceed budget by \$674,000.
- Intergovernmental revenues exceeded budget by \$442,000 from grant revenue from police activities; FEMA revenue for the 2015 flood; and the motor vehicle fee passed through from the State of Missouri.
- The City conservatively budgets expenditures and did not make many adjustments during the year to reflect how actual results were coming in. Of the \$3.1 million better than budget in expenditures \$2.1 million relates to salary and benefits, due to vacant positions, market increases less than anticipated, a better than actual year in medical claims and a continued Citywide emphasis on controlling costs and \$492,000 was saved in professional services including legal fees and transportation services to supplement the Community Development Block Grant. As mentioned earlier, we had a mild winter and this factored into the \$125,000 savings for utility bills. These were offset by overages in property insurance and claims of approximately \$279,000 primarily from a few large 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	\$ (405,217)
Property tax	103,503
Utility franchise tax	(304,289)
Cigarette tax	(17,969)
Licenses and permits	673,852
Interest	(5,212)
Intergovernmental	442,271
Fines and forfeitures	44,711
Charges for services	(69,614)
Miscellaneous	(13,643)
Total Revenues	<u>448,393</u>
Expenditures	
General government	323,515
Administration	721,174
Police	887,816
Municipal court	31,238
Public works	191,589
Engineering	100,112
Maintenance	81,724
Health	189,005
Parks and recreation	314,646
Community relations	52,529
Communications	28,480
Capital outlay	258,928
Debt service:	
Interest and fiscal charges	735
Total Expenditures	<u>3,181,491</u>
 Revenues Over (Under) Expenditures	 <u>3,629,884</u>
 Other Financing Uses:	 (27,212)
 Revenues Under Expenditures and Other Financing Uses	 <u>3,602,672</u>
Fund Balances	
Budget basis:	
Unreserved:	
Transfer from (to) reserved	(46,128)
End of year	<u>3,556,544</u>
Reserved:	
Transfer from (to) unreserved	46,128
End of Year	<u>46,128</u>
 Budget basis, end of year	 <u>\$ 3,602,672</u>

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

Long-Term Debt

At September 30, 2017, 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, 2017

	<u>2016</u>	<u>2017</u>
Governmental Activities		
General Obligation (G.O.) Bonds	\$ 48,785,000	\$ 58,925,000
Certificate of Participation	8,535,000	7,685,000
Development Notes	13,305,000	13,305,000
TOTAL	<u>\$ 70,625,000</u>	<u>\$ 79,915,000</u>
Business-type Activities		
Water/Sewer Revenue Bonds (Net of Unaccrued Capital Appreciation)	\$ 40,825,000	\$ 38,790,000
Certificate of Participation	14,800,000	14,040,000
TOTAL	<u>\$ 55,625,000</u>	<u>\$ 52,830,000</u>
Total		
General Obligation (G.O.) Bonds	\$ 48,785,000	\$ 58,925,000
Certificate of Participation	23,335,000	21,725,000
Development Notes	13,305,000	13,305,000
Water/Sewer Revenue Bonds (Net of Unaccrued Capital Appreciation)	40,825,000	38,790,000
TOTAL	<u>\$ 126,250,000</u>	<u>\$ 132,745,000</u>

As discussed previously, the City issued \$12,000,000 in General Obligation Bonds Refunding Bonds, Series 2017, with interest rates ranging from 3.0% to 3.25% and final maturity in 2037, in connection with the acquisition, construction, renovation installation and equipping of park and recreational facility improvements.

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, 2017, the City was well within this limit with a legal debt margin of \$57,770,563. 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 \$114,996,477 at September 30, 2017. Additional information about the City's long-term debt is presented in Note 6 to the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2017, the City had invested \$427 million (net of accumulated depreciation) in a broad range of capital assets including land, structures and improvements, machinery and equipment, water and sewer lines, vehicles, and infrastructure. The increase in the City of St. Peters' investment in capital assets that relate to activity in fiscal year 2017 was \$9.8 million.

- \$20.3 million in new assets
- \$17.4 million in depreciation

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- \$33,438 in retirements (net of accumulated depreciation)
- \$7.0 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 \$304,000 of dedications the City accepted in dedicated streets, sidewalks, storm sewers and right-of-way from developers and subdivisions, and \$6.5 million of land and land improvement for storm water projects. Also included are \$5.0 million for major road maintenance such as concrete slab replacements, asphalt overlay and bridge replacement and \$577,000 for traffic signal replacement.
- We also added approximately \$1.1 million in improvements to Woodlands and Laurel Park; \$204,000 for construction of two storage sheds for public works and \$1.6 million in police, parks and public works improvements, 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:
 - \$591,000 for construction of Pump Station #7 at Premier Park.
 - \$1.9 million in water and sewer lines (including dedications).
 - \$839,000 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 construction of a 40' x32' storage building for \$14,800.
- The major changes in the Central Materials Processing Fund:
 - \$39,000 for moving wall at plant.
 - \$43,800 for machinery & equipment related to operations.
- In the Recreation Fund we placed into service the following capital assets:
 - \$263,000 for RecPlex entry improvements.
 - \$1.1 million for Lakeside 370 Park improvements, including a new pavilion and a splash pad.
 - \$239,000 in golf course and RecPlex equipment improvements.

Outstanding encumbrances for capital assets at the end of the fiscal year were \$686,000. This amount has been accounted for in the City's budget-based statements and the City has no plans to issue additional debt to finance these projects.

More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Our focus while preparing the fiscal year 2018 budget was to maintain current service levels and continue making progress towards our Vision 2025 strategic plan priorities. The City is conservative when projecting and budgeting revenues and expenses, and this philosophy was followed during the fiscal year 2017/18 budget process to ensure that all commitments can be met.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

Fiscal year 2017/18 is a reassessment year (reassessment occurs every two years), and the City's assessed valuation is estimated to increase by over 5%. The fiscal year 2018 budget assumes the property tax will be kept at the same rate of 77 cents per \$100 of assessed valuation. The budget was prepared using an estimated tax rate of \$.5889 in the General Fund and \$.1811 in the Debt Service Fund. The limit on the rate that can be levied for the General Fund is set by state statutes and the Missouri Constitution. Based on final assessed valuation from the County the overall rate did not change, but the final rate was set at \$.5892 in the General Fund and \$.1808 in the Debt Service Fund. Also included in property tax revenue is a surcharge for commercial property, penalties, and interest. Property tax generated will increase by \$695,800 citywide (a \$250,100 increase in the General Fund and a \$443,300 increase in the Debt Service Fund). Property tax generated in the tax increment financing (TIF) districts will increase by \$2,400.

Sales tax is budgeted to increase by 2%, or \$601,700, citywide (a \$293,800 increase in the General Fund, a \$146,900 increase in the Local Parks and Storm Water Fund, and a \$146,900 increase in the Transportation Trust Fund). Sales tax generated in the tax increment financing (TIF) districts is anticipated to increase by \$14,100.

With the assistance of TIF and Chapter 100 economic incentives, major development has already occurred and continues to occur within Premier 370 Business Park and in the Old Town St. Peters areas. Duke Realty completed a 715,000-square-foot distribution center for Reckitt Benckiser (RB) in Premier 370, a distribution center for Best Buy, and a speculative building that has been partially leased. SAIA, LTD constructed a cross dock distribution center on a 30 acre parcel in Premier 370 in the fall of 2017. In addition outside of the Premier 370 Business Park, GBT Realty developed a 25-acre site in the Old Town Development area for the 245,000-square-foot Shoppes of Mid Rivers that opened in the fall of 2017. To remain conservative in our budgeting, we have not included any increase in revenue related to these developments.

After the 2017 fiscal year ended, the City also entered into Chapter 100 development projects for the Patmos Associates, L.L.C./Seyer Industries, Inc. Project, a 48,000 square foot expansion to the existing manufacturing facilities located at 55 and 66 Patmos Court and the Scannell Properties/FedEx Ground Project an approximately 496,209 square foot facility to be used for package distribution and storage purposes.

While preparing this budget, consideration was given to both the needs of the City of St. Peters during the 2017/18 fiscal year and also the impact that this budget will have on our long-range needs as set out in the Five Year Capital Improvement Plan (CIP). In line with the City's aim to follow 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/finance.aspx>.

Revenue generation opportunities are limited for municipalities and as we do every year we reviewed fees in all of our funds and proposed fee increases in our Enterprise Funds as needed to maintain balanced budgets. The fiscal year 2018 budget reflects a rate increase of 3.5% in our Water and Sewer Fund and previously approved future annual increases for solid waste collection fees starting in 2013/14 of approximately 1.5% to keep up with inflationary costs. The Board of Aldermen also approved fee increases in our Central Materials Processing Facility Fund for 2017/18 during the CIP Board of Aldermen work session.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

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, 2017**

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Natatorium
				Foundation
Assets:				
Cash and investments	\$ 35,154,475	\$ 9,475,349	\$ 44,629,824	\$ 2,022,600
Receivables (net):				
Taxes	3,328,938	-	3,328,938	-
Services	-	2,779,074	2,779,074	-
Intergovernmental	1,990,757	-	1,990,757	-
Other	776,503	810,906	1,587,409	12
Internal balances	237,858	(237,858)	-	-
Inventory and prepaid items	941,295	211,302	1,152,597	-
Investment in joint venture	-	1,640,356	1,640,356	-
Restricted assets:				
Cash and investments	17,904,936	4,461,963	22,366,899	-
Held by trustees	169,285	-	169,285	-
Long-term receivables	632,175	-	632,175	-
Capital assets:				
Nondepreciable	188,602,432	2,240,679	190,843,111	-
Depreciable	148,612,897	87,262,382	235,875,279	-
Total Assets	398,351,551	108,644,153	506,995,704	2,022,612
Deferred Outflows of Resources:				
Deferred charge on refunding	1,408,906	789,628	2,198,534	-
Deferred amounts related to pensions	5,342,681	2,030,931	7,373,612	-
Deferred amounts related to OPEB	18,045,220	7,447,912	25,493,132	-
Total Deferred Outflows of Resources	24,796,807	10,268,471	35,065,278	-
Liabilities:				
Accounts payable	4,722,147	1,233,524	5,955,671	883
Accrued interest	5,001,315	418,537	5,419,852	-
Accrued payroll	582,820	176,146	758,966	-
Unearned revenue	607,332	259,270	866,602	-
Deposits	805,642	272,579	1,078,221	-
Claims payable	1,219,811	-	1,219,811	-
Other liabilities	-	21,023	21,023	-
Long-term liabilities:				
Due within one year	4,263,514	3,404,887	7,668,401	-
Due in more than one year	78,382,669	42,613,431	120,996,100	-
Due in more than one year - net pension obligation and OPEB	34,098,407	14,247,282	48,345,689	-
Total Liabilities	129,683,657	62,646,679	192,330,336	883
Deferred Inflows of Resources:				
Deferred amounts related to pensions	2,667,997	823,016	3,491,013	-
Deferred amounts related to OPEB	239,689	98,929	338,618	-
Deferred revenue - contributions	2,938,393	-	2,938,393	-
Total Deferred Inflows of Resources	5,846,079	921,945	6,768,024	-

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2017**

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Natatorium Foundation
Net Position:				
Net investment in capital assets	270,597,528	46,015,751	316,613,279	-
Restricted for:				
Transportation	6,227,888	-	6,227,888	-
Sewer lateral projects	970,234	-	970,234	-
Water line repair projects	185,086	-	185,086	-
Special allocation projects	1,602,408	-	1,602,408	-
Grants	746,158	-	746,158	-
Debt service	2,440,733	2,062,809	4,503,542	-
Local parks and stormwater	4,071,517	-	4,071,517	-
Police services	282,576	-	282,576	-
Unrestricted	494,494	7,265,440	7,759,934	2,021,729
Total Net Position	\$ 287,618,622	\$ 55,344,000	\$ 342,962,622	\$ 2,021,729

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	Major Funds					Nonmajor	Total
	General	Transpor- tation Trust	Local Parks and Stormwater Fund	Debt Service	Capital Projects	Other Govern- mental Funds	
Assets:							
Cash and investments:							
Unrestricted	\$ 15,415,117	\$ 6,366,176	\$ 3,809,566	\$ 1,693,846	\$ -	\$ 7,869,770	\$ 35,154,475
Restricted	87,108	629,406	-	-	17,188,422	-	17,904,936
Held by trustees	-	-	167,062	-	-	2,223	169,285
Receivables, net of allowances where applicable:							
Taxes	2,139,146	576,855	576,804	31,345	-	4,788	3,328,938
Intergovernmental	121,565	1,648,680	180,195	-	-	40,317	1,990,757
Other	315,272	40,900	283,566	871	-	135,894	776,503
Due from other funds	285,207	-	-	-	-	-	285,207
Long term receivables	-	-	-	-	-	632,175	632,175
Inventory and prepaid items	916,840	14,455	-	-	-	10,000	941,295
Total Assets	\$ 19,280,255	\$ 9,276,472	\$ 5,017,193	\$ 1,726,062	\$ 17,188,422	\$ 8,695,167	\$ 61,183,571
Liabilities, Deferred Inflows of Resources and Fund Balances:							
Liabilities:							
Accounts payable	\$ 889,284	\$ 1,609,601	\$ 495,370	\$ 976	\$ 1,249,067	* \$ 477,849	\$ 4,722,147
Accrued liabilities	549,873	10,408	21,607	-	-	932	582,820
Deposits/guarantee bonds	805,342	-	-	-	-	300	805,642
Due to other funds	-	4,032	3,010	-	-	40,307	47,349
Unearned revenue	30,694	629,538	-	-	-	-	660,232
Claims payable	1,219,811	-	-	-	-	-	1,219,811
Total Liabilities	3,495,004	2,253,579	519,987	976	1,249,067	519,388	8,038,001
Deferred Inflows of Resources:							
Unavailable revenues - property taxes	103,048	-	-	26,000	-	-	129,048
Unavailable revenues - contributions	-	-	250,000	-	-	-	250,000
Total Deferred Inflows of Resources	103,048	-	250,000	26,000	-	-	379,048
Fund Balances:							
Nonspendable	916,840	14,455	-	-	-	10,000	941,295
Restricted for:							
Transportation	-	6,379,032	-	-	-	-	6,379,032
Sewer lateral projects	-	-	-	-	-	970,234	970,234
Water line repair projects	-	-	-	-	-	185,086	185,086
Special allocation projects	-	-	-	-	-	6,262,078	6,262,078
Grants	-	-	-	-	-	746,158	746,158
Debt service	87,108	629,406	167,062	1,699,086	-	2,223	2,584,885
Local parks and stormwater	-	-	4,080,144	-	-	-	4,080,144
Police services	282,576	-	-	-	-	-	282,576
Stormwater projects	-	-	-	-	4,839,221	-	4,839,221
Park and recreation facility improvements	-	-	-	-	11,100,134	-	11,100,134
Committed:							
Contingency reserve	4,000,000	-	-	-	-	-	4,000,000
Assigned for:							
Capital projects	1,983,530	-	-	-	-	-	1,983,530
Administration	190,334	-	-	-	-	-	190,334
Police	195,071	-	-	-	-	-	195,071
Other	240,840	-	-	-	-	-	240,840
Subsequent year budget	1,414,110	-	-	-	-	-	1,414,110
Unassigned	6,371,794	-	-	-	-	-	6,371,794
Total Fund Balances	15,682,203	7,022,893	4,247,206	1,699,086	15,939,355	8,175,779	52,766,522
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 19,280,255	\$ 9,276,472	\$ 5,017,193	\$ 1,726,062	\$ 17,188,422	\$ 8,695,167	\$ 61,183,571

* Payable from restricted assets.

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

Total Fund Balance - Governmental Funds \$ 52,766,522

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 \$516,533,797 and the accumulated depreciation is \$179,318,468. 337,215,329

Contributed capital is recorded as a deferred inflow of resource on the government-wide financial statements until the City's obligation to complete certain road work and utility work has been met. (2,688,393)

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. 129,048

Federal interest subsidy is not a current financial resource and therefore is not reported in the funds. 52,900

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, 2017 are:

Accrued compensated absences, vacation	(1,368,514)
Accrued interest on outstanding debt	(5,001,315)
Other post employment benefit (OPEB) obligation	(31,242,244)
OPEB related deferred outflows of resources	18,045,220
OPEB related deferred inflows of resources	(239,689)
Net pension obligation	(2,856,163)
Pension related deferred outflows of resources	5,342,681
Pension related deferred inflows of resources	(2,667,997)
Bonds and notes payable	(79,915,000)
Unamortized bond discount	103,330
Unamortized bond premium	(1,465,999)
Unamortized deferred charge on refunding	1,408,906

Total Net Position - Governmental Activities \$ 287,618,622

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Major Funds					Nonmajor	Total
	General	Transportation Trust	Local Parks and Stormwater Fund	Debt Service	Capital Projects	Other Governmental Funds	
Revenues:							
Sales tax	\$ 14,279,883	\$ 7,139,943	\$ 7,078,266	\$ -	\$ -	\$ 960,354	\$ 29,458,446
Property tax	7,713,636	-	-	1,934,806	-	1,071,657	10,720,099
Utility franchise tax	4,411,511	-	-	-	-	-	4,411,511
Cigarette tax	172,031	-	-	-	-	-	172,031
Licenses and permits	1,771,852	-	-	-	-	-	1,771,852
Interest	22,883	9,660	5,210	1,959	16,603	13,105	69,420
Intergovernmental	3,652,271	3,006,077	8,216	-	-	251,469	6,918,033
Fines and forfeitures	1,228,711	-	-	-	-	-	1,228,711
Charges for services	674,986	-	17,690	-	-	818,198	1,510,874
Miscellaneous	492,422	1,059,041	233,947	8,127	-	78	1,793,615
Total Revenues	34,420,186	11,214,721	7,343,329	1,944,892	16,603	3,114,861	58,054,592
Expenditures:							
Current:							
General government	2,009,246	-	-	-	-	586,899	2,596,145
Administration	4,147,760	-	-	-	-	-	4,147,760
Police	12,348,765	-	585,221	-	-	-	12,933,986
Municipal court	483,962	-	-	-	-	-	483,962
Public works	1,994,411	5,175,007	1,991,229	-	-	698,948	9,859,595
Engineering	1,903,059	-	-	-	-	-	1,903,059
Maintenance	463,594	-	-	-	-	-	463,594
Health	1,497,010	-	-	-	-	-	1,497,010
Parks and recreation	4,066,809	-	504,680	-	-	-	4,571,489
Communications	988,676	-	-	-	-	-	988,676
Community and arts	199,438	-	-	-	-	-	199,438
Capital outlay	1,112,551	5,693,321	2,664,690	-	6,782,233	1,869,712	18,122,507
Debt service:							
Principal retirement	345,000	380,000	125,000	1,860,000	-	-	2,710,000
Interest	35,765	379,845	37,790	1,551,933	-	-	2,005,333
Other	-	795	1,166	44,476	159,119	5,300	210,856
Total Expenditures	31,596,046	11,628,968	5,909,776	3,456,409	6,941,352	3,160,859	62,693,410
Revenues Over (Under) Expenditures	2,824,140	(414,247)	1,433,553	(1,511,517)	(6,924,749)	(45,998)	(4,638,818)
Other Financing Sources (Uses):							
Transfers in	-	-	-	2,151,371	-	-	2,151,371
Transfers out	(799,112)	-	(2,285,371)	-	-	-	(3,084,483)
Proceeds from sale of capital assets	88,335	52,280	12,750	-	-	-	153,365
Issuance of debt	-	-	-	-	12,000,000	-	12,000,000
Bond premium	-	-	-	-	277,493	-	277,493
Total Other Financing Sources (Uses)	(710,777)	52,280	(2,272,621)	2,151,371	12,277,493	-	11,497,746
Net Changes in Fund Balances	2,113,363	(361,967)	(839,068)	639,854	5,352,744	(45,998)	6,858,928
Fund Balances:							
Beginning of Year	13,568,840	7,384,860	5,086,274	1,059,232	10,586,611	8,221,777	45,907,594
End of Year	\$ 15,682,203	\$ 7,022,893	\$ 4,247,206	\$ 1,699,086	\$ 15,939,355	\$ 8,175,779	\$ 52,766,522

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

Net change in fund balances - total governmental funds		\$ 6,858,928
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	19,486,871	
Proceeds from sale of capital assets	(153,365)	
Donated capital assets	1,450,519	
Net transfer of assets between the proprietary and governmental activities	(1,561,495)	
Depreciation expense	<u>(11,492,958)</u>	7,729,572
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.		
		124,933
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 position, 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 position.		
Issuance of debt and refunding bonds	(12,000,000)	
Repayment of bond and note principal	<u>2,710,000</u>	(9,290,000)
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	(985,751)	
Compensated absences	(52,764)	
Other post employment benefits	(3,963,919)	
Pension expense	(1,499,724)	
Premium on debt issuances, net of amortization	(167,437)	
Discount on debt issuances, net of amortization	(10,011)	
Deferred charge on refunding, net of amortization	<u>(106,065)</u>	(6,785,671)
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.		
		(219,777)
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>(2,494)</u>
Change in net position of governmental activities		<u>\$ (1,584,509)</u>

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2017**

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Central Materials Processing Facility	Recreation	
Assets:					
Current Assets:					
Cash and investments:					
Unrestricted	\$ 4,178,283	\$ 2,312,704	\$ 1,470,985	\$ 1,513,377	\$ 9,475,349
Restricted	4,461,963	-	-	-	4,461,963
Receivables, net allowances:					
Services	1,927,020	780,579	71,475	-	2,779,074
Other	237,084	180,684	194,189	198,949	810,906
Inventory/prepays	-	-	162,591	48,711	211,302
Total Current Assets	10,804,350	3,273,967	1,899,240	1,761,037	17,738,594
Noncurrent Assets:					
Investment in joint venture	1,640,356	-	-	-	1,640,356
Capital assets	119,533,625	7,584,984	6,955,304	54,776,718	188,850,631
Less: Accumulated depreciation	59,348,538	6,321,725	5,209,399	28,467,908	99,347,570
Capital assets - net	60,185,087	1,263,259	1,745,905	26,308,810	89,503,061
Total Noncurrent Assets	61,825,443	1,263,259	1,745,905	26,308,810	91,143,417
Total Assets	72,629,793	4,537,226	3,645,145	28,069,847	108,882,011
Deferred Outflows of Resources:					
Deferred charge on refunding	-	-	-	789,628	789,628
Deferred amounts related to pensions	803,568	482,640	277,248	467,475	2,030,931
Deferred amounts related to OPEB	2,837,880	1,663,067	1,204,623	1,742,342	7,447,912
Total Deferred Outflows of Resources	3,641,448	2,145,707	1,481,871	2,999,445	10,268,471
Liabilities:					
Current Liabilities:					
Accounts payable	952,857	15,985	167,400	97,282	1,233,524
Accrued payroll	53,611	33,299	21,446	67,790	176,146
Accrued compensated absences	203,973	113,241	62,534	145,139	524,887
Accrued interest	188,227	-	-	230,310	418,537
Deposits held for others	166,835	-	-	105,744	272,579
Due to other funds	89,583	35,994	53,833	58,448	237,858
Unearned revenue	4,608	-	-	254,662	259,270
Current portion of revenue bonds payable	2,090,000 *	-	-	790,000	2,880,000
Other	-	-	-	21,023	21,023
Total Current Liabilities	3,749,694	198,519	305,213	1,770,398	6,023,824
Noncurrent Liabilities:					
Long-term portion of revenue bonds payable	29,086,531	-	-	13,526,900	42,613,431
Other long-term liabilities	5,448,437	3,200,731	2,270,233	3,327,881	14,247,282
Total Liabilities	38,284,662	3,399,250	2,575,446	18,625,179	62,884,537
Deferred Inflows of Resources:					
Deferred amounts related to pensions	325,638	195,586	112,352	189,440	823,016
Deferred amounts related to OPEB	37,695	22,090	16,001	23,143	98,929
Total Deferred Inflows of Resources	363,333	217,676	128,353	212,583	921,945
Net Position:					
Net investment in capital assets	31,014,677	1,263,259	1,745,905	11,991,910	46,015,751
Restricted for debt service	2,062,809	-	-	-	2,062,809
Unrestricted	4,545,760	1,802,748	677,312	239,620	7,265,440
Total Net Position	\$ 37,623,246	\$ 3,066,007	\$ 2,423,217	\$ 12,231,530	\$ 55,344,000

* Payable from restricted assets

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Central Materials Processing Facility	Recreation	
Operating Revenues:					
Water	\$ 5,775,759	\$ -	\$ -	\$ -	\$ 5,775,759
Sewer	5,015,220	-	-	-	5,015,220
Solid waste	-	5,961,938	-	-	5,961,938
Tap on fees	307,800	-	-	-	307,800
Tipping fees	-	-	2,867,061	-	2,867,061
Recycling income	-	-	1,440,622	-	1,440,622
Earth Centre	-	-	557,056	-	557,056
Recreation	-	-	-	7,138,434	7,138,434
Miscellaneous	1,465,398	150,811	13,122	-	1,629,331
Total Operating Revenues	12,564,177	6,112,749	4,877,861	7,138,434	30,693,221
Operating Expenses:					
Personnel costs	4,971,808	3,103,249	2,014,175	5,058,950	15,148,182
Depreciation	2,876,578	637,080	282,188	2,141,021	5,936,867
Utilities	685,631	44,375	48,399	885,751	1,664,156
Purchased water	893,160	-	-	-	893,160
Wastewater treatment costs	128,805	-	-	-	128,805
Disposal fees	-	1,233,305	1,428,102	-	2,661,407
Repairs and maintenance	847,991	286,953	128,721	293,352	1,557,017
Chemicals and supplies	375,935	2,534	-	77,255	455,724
Professional services	269,108	24,738	17,600	136,242	447,688
Office expense	247,004	52,815	157,738	410,994	868,551
Insurance	19,457	30,164	21,724	48,341	119,686
Gasoline and fuel	72,956	165,399	21,107	13,884	273,346
Rent	19,151	1,086	2,488	-	22,725
Concessions	-	-	-	224,913	224,913
Miscellaneous	415,968	822,848	463,085	163,415	1,865,316
Total Operating Expenses	11,823,552	6,404,546	4,585,327	9,454,118	32,267,543
Operating Income (Loss)	740,625	(291,797)	292,534	(2,315,684)	(1,574,322)
Nonoperating Revenues (Expenses):					
Interest on investments	10,046	2,385	1,195	1,113	14,739
Bond interest and fees	(1,208,171)	-	-	(616,037)	(1,824,208)
Gain (loss) on disposal of capital assets	48,790	-	-	-	48,790
Equity loss in joint venture	(52,327)	-	-	-	(52,327)
Total Nonoperating Revenues (Expenses)	(1,201,662)	2,385	1,195	(614,924)	(1,813,006)
(Loss) Income Before Capital Contributions and Transfers	(461,037)	(289,412)	293,729	(2,930,608)	(3,387,328)
Capital contributions	74,590	-	-	1,561,495	1,636,085
Transfers in	-	-	-	933,112	933,112
Changes In Net Position	(386,447)	(289,412)	293,729	(436,001)	(818,131)
Net Position - Beginning of Year, Restated	38,009,693	3,355,419	2,129,488	12,667,531	56,162,131
Net Position - End of Year	\$ 37,623,246	\$ 3,066,007	\$ 2,423,217	\$ 12,231,530	\$ 55,344,000

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Central Materials Processing Facility	Recreation	
Cash Flows From Operating Activities:					
Receipts from customers	\$ 10,907,618	\$ 5,976,800	\$ 4,867,583	\$ 7,143,454	\$ 28,895,455
Payments to suppliers	(4,080,813)	(2,654,612)	(2,411,674)	(2,255,818)	(11,402,917)
Payment to employees	(4,064,140)	(2,532,002)	(1,728,826)	(4,410,323)	(12,735,291)
Other receipts	1,429,015	151,991	26,969	20,739	1,628,714
Net Cash Provided By Operating Activities	4,191,680	942,177	754,052	498,052	6,385,961
Cash Flows (Used In) Provided By Noncapital Financing Activities:					
Transfers in	-	-	-	933,112	933,112
Advances on (repayments of) internal balances	(48,510)	22,393	50,100	42,386	66,369
Net Cash (Used In) Provided By Noncapital Financing Activities	(48,510)	22,393	50,100	975,498	999,481
Cash Flows From Capital and Related Financing Activities:					
Acquisition and construction of capital assets, net	(3,225,798)	(14,848)	(82,741)	(60,966)	(3,384,353)
Proceeds from sale of capital assets	48,790	-	-	-	48,790
Principal paid on bonds	(2,035,000)	-	-	(760,000)	(2,795,000)
Interest and fees paid on bonds	(458,130)	-	-	(590,897)	(1,049,027)
Net Cash Used In Capital and Related Financing Activities	(5,670,138)	(14,848)	(82,741)	(1,411,863)	(7,179,590)
Cash Flows Provided By Investing Activities:					
Interest received on investments	10,046	2,385	1,195	1,113	14,739
Net (Decrease) Increase In Cash And Cash Equivalents	(1,516,922)	952,107	722,606	62,800	220,591
Cash and Cash Equivalents - Beginning of Year	10,157,168	1,360,597	748,379	1,450,577	13,716,721
Cash and Cash Equivalents - End of Year	\$ 8,640,246	\$ 2,312,704	\$ 1,470,985	\$ 1,513,377	\$ 13,937,312
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities:					
Operating income (loss)	\$ 740,625	\$ (291,797)	\$ 292,534	\$ (2,315,684)	\$ (1,574,322)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation expense	2,876,578	637,080	282,188	2,141,021	5,936,867
(Increase) decrease in assets:					
Services receivable	(194,402)	14,862	2,844	-	(176,696)
Miscellaneous receivable	(28,123)	1,180	13,847	9,434	(3,662)
Inventory	460	-	(69,372)	(18,222)	(87,134)
Increase (decrease) in liabilities:					
Accounts payable	(107,107)	9,605	(53,338)	16,551	(134,289)
Accrued payroll	10,701	5,845	2,821	18,585	37,952
Accrued vacation	18,290	1,778	516	27,532	48,116
Deposits held for others	(7,850)	-	-	3,246	(4,604)
Other liabilities	882,508	563,624	282,012	615,589	2,343,733
Total Adjustments	3,451,055	1,233,974	461,518	2,813,736	7,960,283
Net Cash Provided By Operating Activities	\$ 4,191,680	\$ 942,177	\$ 754,052	\$ 498,052	\$ 6,385,961

Noncash Investing, Capital and Financing Activities:

During fiscal year 2017, the Waterworks/Sanitary Sewer Fund received \$74590 in contributed water and sewer lines from developers and incurred a \$52,327 equity loss in joint venture. The Recreation Fund received \$1,561,495 in contributed capital from governmental activities.

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF FIDUCIARY NET POSITION -
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SEPTEMBER 30, 2017**

ASSETS:

Investments:

Held by trustees:

Money market mutual funds \$ 23,527

Domestic equity investments:

Exchange traded funds 1,078,371

Mutual funds 5,297,689

International equities:

Mutual funds 1,946,561

Fixed income investments:

Credit 478,430

Asset backed securities 277,454

Diversified taxable mutual funds 4,513,003

Other 52,902

Alternative investments:

Hedge funds 271,967

Infrastructure 296,790

Traded real estate 121,569

Receivables, net of allowances:

Interest 7,346

Prepaid items 21,532

Total Assets 14,387,141

LIABILITIES:

Accounts payable 40,392

Unearned revenue 15,521

Total Liabilities 55,913

NET POSITION:

Restricted for other post employment benefits \$ 14,331,228

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, 2017**

ADDITIONS:

Contributions:

City of St. Peters	\$ 1,209,600
Plan members	162,639
Total Contributions	<u>1,372,239</u>

Investment income:

Interest and dividends	573,969
Net appreciation in the fair value of plan investments	739,368
Total Investment Income	<u>1,313,337</u>

Total Additions

2,685,576

DEDUCTIONS:

Benefit payments	<u>896,467</u>
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Administrative and general expenses:

Insurance, taxes and other premiums	323,953
Professional fees	52,154
Total administrative and general expenses	<u>376,107</u>

Total Deductions

1,272,574

NET INCREASE IN NET POSITION

1,413,002

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

BEGINNING OF YEAR	<u>12,918,226</u>
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END OF YEAR	<u>\$ 14,331,228</u>
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CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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 (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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

is required. Additional information regarding the Water Pipeline Project is provided in Note 10.

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 the 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 sales tax revenue and grant proceeds to be used for park and stormwater projects.

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

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

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

Proprietary Funds

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

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

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

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, 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.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 are stated at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid items. The cost of governmental fund-type prepaid items is recorded as expenditures when consumed rather than when purchased.

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 acquisition 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 lapse within one year and is recorded in the government-wide and proprietary fund financial statements as a short-term liability. A liability for these amounts is reported in governmental funds only if the amounts due at year end have matured. Sick leave benefits do not vest and are recorded as expenditures when paid. Compensated absences are typically liquidated by the general fund, transportation trust fund, local parks and stormwater fund, sewer lateral repair program fund, water service line repair program fund, recreation fund, waterworks/sanitary sewer fund, solid waste fund, and central materials processing facility fund.

Other Post Employment Benefits

The City records a net other post employment benefit (OPEB) liability in the government-wide and proprietary funds financial statements. The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The total OPEB liability is determined through an actuarial valuation. Details related to the City's postretirement health care benefits provided, OPEB liability and its calculation are provided at Note 12. The obligation is typically liquidated by the general fund,

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

transportation trust fund, local parks and stormwater fund, recreation fund, waterworks/sanitary sewer fund, solid waste fund, and central materials processing facility fund.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net 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 reports a 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.

In the government-wide and proprietary fund financial statements, components of pension and OPEB expense that are recognized over a period of time are classified as either deferred outflows of resources (using plan assets that are applicable to a future reporting period) or deferred inflows of resources (acquiring plan assets that are applicable to a future reporting period). Employer contributions subsequent to the measurement date of the net pension liability and net OPEB liability are required to be reported as deferred outflows of resources.

Pensions

The City records a net pension (asset) liability in the government-wide and proprietary fund financial statements for its defined benefit plan. The (asset) liability is calculated as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The pension obligation is typically liquidated by the general fund, transportation trust fund, local parks and stormwater fund, recreation fund, water works/sanitary sewer fund, solid waste fund and central materials processing facility fund or the respective fund from which the employee is paid. Details of the City's defined benefit plan are provided in Note 5.

Interfund Activity

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

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

Governmental Fund Balances

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

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

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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	\$ 2,969
Administration	190,334
Police	195,071
Engineering	6,626
Maintenance	58,555
Health	3,373
Parks and recreation	59,373
Communications	2,174
Total	<u><u>\$ 518,475</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.

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:

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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

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

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

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

Net Position

In the government-wide financial statements, net position 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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2017, the City adopted GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", and Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The objective of these statements is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) and revise and establish new financial reporting requirements for most governments whose employees are provided with OPEB. As a result, the net position for the year ended September 30, 2016 has been restated as follows:

Government-Wide Financial Statements:

	Governmental Activities	Business-Type Activities	Total
Net position, September 30, 2016, as previously reported:	\$ 291,226,494	\$ 56,983,628	\$ 348,210,122
To eliminate the other postemployment benefit obligation prior to GASB Statement No. 75	7,449,431	3,128,147	10,577,578
To record the other postemployment obligation at the beginning of the year according to GASB Statement No. 75	(9,472,794)	(3,949,644)	(13,422,438)
Net position, September 30, 2016, restated	\$ 289,203,131	\$ 56,162,131	\$ 345,365,262

Proprietary Fund Financial Statements:

	Waterworks/ Sanitary Sewer	Solid Waste	Central Materials Processing Facility	Recreation	Total
Net position, September 30, 2016, as previously reported:	\$ 38,323,681	\$ 3,543,320	\$ 2,262,951	\$ 12,853,676	\$ 56,983,628
To eliminate the other postemployment benefit obligation prior to GASB Statement No. 75	1,209,337	662,738	587,046	669,026	3,128,147
To record the other postemployment obligation at the beginning of the year according to GASB Statement No. 75	(1,523,325)	(850,639)	(720,509)	(855,171)	(3,949,644)
Net position, September 30, 2016, restated	\$ 38,009,693	\$ 3,355,419	\$ 2,129,488	\$ 12,667,531	\$ 56,162,131

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2017, all of the City's investments were in compliance with the City's investment policy.

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

As of September 30, 2017, the City's deposit and investment balances were as follows:

<u>Deposit/Investment Type</u>	<u>Carrying Value</u>
Deposits	\$66,280,147
Money market mutual funds	<u>885,861</u>
	<u>\$67,166,008</u>

As of September 30, 2017, the discretely presented component unit's investment balances were as follows:

Discretely Presented Component Unit

Money market funds	\$ 22,099
Stocks - domestic	537,266
Stocks - foreign	60,077
Mutual funds - domestic	301,097
Mutual funds - international	417,599
Fixed income mutual funds (domestic)	545,177
Fixed income mutual funds (international)	<u>139,285</u>
	<u>\$ 2,022,600</u>

The discretely presented component unit is not required to adopt the provision of GASB 40, as amended by GASB 72.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Fiduciary Trust Investments

Money market mutual funds	\$	23,527
Exchange traded funds - domestic		1,078,371
Mutual funds - domestic		5,297,689
Mutual funds - international		1,946,561
Fixed income investments - credit		478,430
Fixed income investments - diversified taxable mutual funds		4,513,003
Fixed income investments - emerging markets		52,902
Fixed income investments - asset backed securities		277,454
Hedge funds		271,967
Infrastructure		296,790
Traded real estate		121,569
		<u>14,358,263</u>
	\$	<u>14,358,263</u>

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

The City has the following recurring fair value measurements as of June 30, 2017:

- Money market mutual funds are valued using quoted market prices (Level 1 inputs).
- The discretely presented component unit investments and fiduciary trust investments are valued using quoted market prices (Level 1 inputs).

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, 2017, 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	\$ 885,861	\$ 885,861	\$ -
	<u>\$ 885,861</u>	<u>\$ 885,861</u>	<u>\$ -</u>

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

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

All repurchase agreements shall have a maturity of no longer than 30 days. No more than 15% of the City's portfolio shall be invested in repurchase agreements, unless approval has been obtained by the Board of Aldermen.

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

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

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

Investment Credit Risk

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

The City's credit ratings associated with their investments are as follows:

Money market mutual funds	AAAm
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Concentration of Credit Risk

The City's investment policy places no specific limits on the amount the City may invest in any one issuer as a percentage of the total portfolio, with the exception of repurchase agreements, which are limited to 15% of the portfolio. The City employs the "prudent person" standard, as defined in the policy, to determine the instrument type and maturity that the City invest its funds in. As of September 30, 2017, none of the City's investments were subject to concentration of credit risk.

Custodial Credit Risk

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

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Fiduciary Trust Investments

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

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

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

Interest Rate Risk

As of September 30, 2017, 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	\$ 23,527	\$ -	\$ 23,527	\$ -
Exchange Traded Funds - Domestic	1,078,371	1,078,371	-	-
Exchange Traded Funds - Foreign	-	-	-	-
Mutual Funds:				
Domestic	5,297,689	5,297,689	-	-
International	1,946,561	1,946,561	-	-
Fixed Income - Diversified Taxable	4,513,003	-	4,513,003	-
Fixed Income Investments - Credit	478,430	-	478,430	-
Fixed Income Investments - Emerging Markets	52,902	-	52,902	-
Fixed income investments - Asset Backed Securities	277,454	-	277,454	-
Hedge Funds	271,967	271,967	-	-
Infrastructure	296,790	296,790	-	-
Traded Real Estate	121,569	121,569	-	-
	\$ 14,358,263	\$ 9,012,947	\$ 5,345,316	\$ -

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Custodial Credit Risk

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

Investment Credit Risk

The Trust plan's 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	Fixed Income - Asset Backed Securities	Unrated
AAAm	\$ 23,527	\$ -	\$ -	\$ -	\$ -	\$ -
AA	-	4,513,003	-	-	277,454	-
A	-	-	-	478,430	-	-
BB	-	-	52,902	-	-	-
Unrated	-	-	-	-	-	9,012,947
	<u>\$ 23,527</u>	<u>\$ 4,513,003</u>	<u>\$ 52,902</u>	<u>\$ 478,430</u>	<u>\$ 277,454</u>	<u>\$ 9,012,947</u>

Concentration of Investment Credit Risk

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

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

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

Concentration of credit risk is required to be disclosed by the City for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). At September 30, 2017, the Fiduciary Trust Fund's investments were not subject to concentration of credit risk.

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 \$.6095 is for general revenue purposes and \$.1605 is for the payment of principal and interest

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2017:

	Balance October 1, 2016	Additions and transfers	Retirements and transfers	Balance September 30, 2017
Governmental Activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$ 168,475,412	\$ 6,308,928	\$ 30,935	\$ 174,753,405
Construction in progress	6,989,920	10,125,159	3,266,052	13,849,027
Total capital assets not being depreciated	175,465,332	16,434,087	3,296,987	188,602,432
Capital assets, being depreciated:				
Structures and improvements	54,845,585	841,722	129,000	55,558,307
Machinery and equipment	11,422,140	1,234,616	85,838	12,570,918
Furniture and fixtures	231,665	-	-	231,665
Vehicles	7,725,235	881,743	584,424	8,022,554
Infrastructure	247,331,290	5,943,178	1,726,547	251,547,921
Total capital assets being depreciated	321,555,915	8,901,259	2,525,809	327,931,365
Less - accumulated depreciation for:				
Structures and improvements	24,909,736	1,841,166	129,000	26,621,902
Machinery and equipment	9,808,505	721,945	85,838	10,444,612
Furniture and fixtures	188,583	22,303	-	210,886
Vehicles	5,291,248	853,387	581,921	5,562,714
Infrastructure	130,150,744	8,054,157	1,726,547	136,478,354
Total accumulated depreciation	170,348,816	11,492,958	2,523,306	179,318,468
Total capital assets being depreciated, net	151,207,099	(2,591,699)	2,503	148,612,897
Governmental activities, capital assets, net	\$ 326,672,431	\$ 13,842,388	\$ 3,299,490	\$ 337,215,329

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

	Balance October 1, 2016	Additions and Transfers	Retirements and Transfers	Balance September 30, 2017
Business-Type Activities:				
Waterworks/Sanitary Sewer:				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,289,356	\$ -	\$ -	\$ 1,289,356
Construction in progress	951,323	822,148	707,122	1,066,349
Total capital assets not being depreciated	2,240,679	822,148	707,122	2,355,705
Capital assets, being depreciated:				
Structures and improvements	58,468,211	590,762	-	59,058,973
Water lines	24,386,804	68,040	-	24,454,844
Sewer lines	25,290,847	1,849,476	-	27,140,323
Machinery, equipment and vehicles	5,838,522	838,753	153,495	6,523,780
Total capital assets being depreciated	113,984,384	3,347,031	153,495	117,177,920
Less: Accumulated depreciation for:				
Structures and improvements	33,787,919	1,319,056	-	35,106,975
Water lines	9,335,355	514,626	-	9,849,981
Sewer lines	9,075,409	524,312	-	9,599,721
Machinery, equipment and vehicles	4,426,772	518,584	153,495	4,791,861
Total accumulated depreciation	56,625,455	2,876,578	153,495	59,348,538
Total capital assets being depreciated, net	57,358,929	470,453	-	57,829,382
Waterworks/sanitary sewer capital assets, net	\$ 59,599,608	\$ 1,292,601	\$ 707,122	\$ 60,185,087
Solid Waste:				
Capital assets, being depreciated:				
Structures and improvements	\$ 703,617	\$ 14,848	\$ -	\$ 718,465
Machinery and equipment	203,021	-	-	203,021
Vehicles	6,663,498	-	-	6,663,498
Total capital assets being depreciated	7,570,136	14,848	-	7,584,984
Less: Accumulated depreciation for:				
Structures and improvements	613,019	20,515	-	633,534
Machinery and equipment	189,983	8,691	-	198,674
Vehicles	4,881,643	607,874	-	5,489,517
Total accumulated depreciation	5,684,645	637,080	-	6,321,725
Total capital assets being depreciated, net	1,885,491	(622,232)	-	1,263,259
Solid waste capital assets, net	\$ 1,885,491	\$ (622,232)	\$ -	\$ 1,263,259

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

	Balance October 1, 2016	Additions and Transfers	Retirements and Transfers	Balance September 30, 2017
Business-Type Activities (continued):				
Central Materials Processing Facility:				
Capital assets, being depreciated:				
Structures and improvements	\$ 4,685,224	\$ 38,950	\$ -	\$ 4,724,174
Machinery and equipment	2,025,431	43,791	-	2,069,222
Vehicles	161,908	-	-	161,908
Total capital assets being depreciated	6,872,563	82,741	-	6,955,304
Less: Accumulated depreciation for:				
Structures and improvements	3,139,322	157,410	-	3,296,732
Machinery and equipment	1,625,981	124,778	-	1,750,759
Vehicles	161,908	-	-	161,908
Total accumulated depreciation	4,927,211	282,188	-	5,209,399
Total capital assets being depreciated, net	1,945,352	(199,447)	-	1,745,905
Central Materials Processing Facility capital assets, net	\$ 1,945,352	\$ (199,447)	\$ -	\$ 1,745,905
Recreation:				
Capital assets, being depreciated:				
Structures and improvements	\$ 51,262,050	\$ 1,442,565	\$ 208,409	\$ 52,496,206
Machinery and equipment	2,045,694	170,806	33,758	2,182,742
Furniture and fixtures	16,540	9,090	-	25,630
Vehicles	72,140	-	-	72,140
Total capital assets being depreciated	53,396,424	1,622,461	242,167	54,776,718
Less: Accumulated depreciation for:				
Structures and improvements	25,163,448	1,966,731	208,409	26,921,770
Machinery and equipment	1,316,925	173,722	33,758	1,456,889
Furniture and fixtures	16,540	568	-	17,108
Vehicles	72,141	-	-	72,141
Total accumulated depreciation	26,569,054	2,141,021	242,167	28,467,908
Total capital assets being depreciated, net	26,827,370	(518,560)	-	26,308,810
Recreation capital assets, net	\$ 26,827,370	\$ (518,560)	\$ -	\$ 26,308,810

Capitalized interest totaling \$1,489,114 and \$1,668,300 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	\$ 276,279
Administration	226,398
Police	940,576
Public works	8,622,516
Engineering	61,641
Maintenance	14,423
Health	174,757
Parks and recreation	1,057,158
Communications	71,896
Community and arts	47,314
	<hr/>
Total depreciation expense - governmental-type activities	\$ 11,492,958

Business-Type Activities:

Waterworks/sanitary sewer	\$ 2,876,578
Solid waste	637,080
Central materials processing facilities	282,188
Recreation	2,141,021
	<hr/>
Total depreciation expense - business-type activities	\$ 5,936,867

5. EMPLOYEES' RETIREMENT SYSTEM

Plan description. The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS 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 is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

	<u>2017 Valuation</u>
Benefit Multiplier	2.00%
Final Average Salary	3 Years
Member Contributions	4.00%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees covered by benefit terms. At September 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	199
Inactive employees entitled to but not yet receiving benefits	68
Active employees	392
	<u>659</u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 12.8% (General) and 12.8% (Police) of annual covered payroll.

Net Pension Liability. The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial assumptions. The total pension liability in the February 28, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for both males and females.

Both the post-retirement and pre-retirements tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

The actuarial assumptions used in the February 28, 2017 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.93%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

Discount rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2016	\$ 139,910,421	\$ 128,329,511	\$ 11,580,910
Changes for the year:			
Service cost	3,239,576	-	3,239,576
Interest	10,075,523	-	10,075,523
Difference between expected and actual experience	(1,622,173)	-	(1,622,173)
Changes in assumptions	-	-	-
Contributions - employer	-	3,400,417	(3,400,417)
Contributions - employee	-	1,036,029	(1,036,029)
Net investment income	-	15,276,136	(15,276,136)
Benefit payments, including refunds	(5,148,349)	(5,148,349)	-
Administrative expense	-	(54,198)	54,198
Other changes	-	(593,195)	593,195
Net changes	6,544,577	13,916,840	(7,372,263)
Balances at September 30, 2017	\$ 146,454,998	\$ 142,246,351	\$ 4,208,647

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
6.25%	7.25%	8.25%
\$ 26,529,939	\$ 4,208,647	\$ (14,110,825)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017 the employer recognized government-wide pension expense of \$5,631,793. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ 3,491,013
Differences in assumptions	2,859,135	-
Excess (deficit) investment returns	3,613,595	-
Contributions subsequent to the measurement date*	900,882	-
Total	<u>\$ 7,373,612</u>	<u>\$ 3,491,013</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending September 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Net Deferred Outflows of Resources
2018	\$ 1,903,031
2019	1,903,028
2020	591,654
2021	(1,153,606)
2022	(233,276)
Thereafter	(29,114)
	<u>\$ 2,981,717</u>

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Payable to the Pension Plan

At September 30, 2017, the City reported a payable of \$510,608 for the outstanding amount of required contributions to the pension plan for the year ended September 30, 2017.

6. LONG-TERM LIABILITIES

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

	<u>Original Authorized/ Issued Amount</u>	<u>Date of Maturity</u>
General Obligation:		
Series 2010A Refunding	2,520,000	March 2021
Series 2010B	3,790,000	September 2030
Series 2012	4,000,000	September 2032
Series 2014	9,675,000	September 2034
Series 2015 Refunding	7,050,000	March 2027
Series 2016	8,000,000	March 2036
Series 2016 Refunding	16,170,000	March 2035
Series 2017	12,000,000	February 2037
Revenue Bonds:		
Series 2003	12,970,000	May 2023
Series 2007	21,445,000	May 2032
Series 2009	5,000,000	May 2029
Series 2015	7,500,000	May 2040
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	17,500,000	September 2028

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

	Balance -		Balance -		Current
	October 1,	Additions	Retirements	September 30,	Portion
	2016			2017	
Governmental Activities:					
General Obligation Bonds:					
Series 2010A Refunding	\$ 1,595,000	\$ -	\$ 300,000	\$ 1,295,000	\$ 310,000
Series 2010B Refunding	3,790,000	-	-	3,790,000	-
Series 2012	3,320,000	-	180,000	3,140,000	180,000
Series 2014	8,910,000	-	385,000	8,525,000	395,000
Series 2015 Refunding	7,000,000	-	550,000	6,450,000	565,000
Series 2016	8,000,000	-	275,000	7,725,000	315,000
Series 2016 Refunding	16,170,000	-	170,000	16,000,000	165,000
Series 2017	-	12,000,000	-	12,000,000	445,000
Certificates of Participation:					
Series 2010A - Refunding portion	135,000	-	55,000	80,000	60,000
Series 2010B - Build America Bonds	6,680,000	-	380,000	6,300,000	390,000
Series 2010C - Refunding portion	1,130,000	-	125,000	1,005,000	130,000
Series 2013 - Refunding	590,000	-	290,000	300,000	300,000
Development Notes, Series A	13,305,000	-	-	13,305,000	-
Compensated absences	1,315,750	2,100,789	2,048,025	1,368,514	1,368,514
	71,940,750	14,100,789	4,758,025	81,283,514	\$ 4,623,514
Add: Unamortized premium	1,298,562	277,493	110,056	1,465,999	
Less: Unamortized discount	(113,341)	-	(10,011)	(103,330)	
Total Governmental Activities	\$ 73,125,971	\$ 14,378,282	\$ 4,858,070	\$ 82,646,183	
Business -Type Activities:					
Water/Sewer Revenue Bonds:					
Capital Appreciation Series 2003	\$ 9,520,000	\$ -	\$ 1,360,000	\$ 8,160,000	\$ 1,360,000
Capital Appreciation Series 2007	19,005,000	-	500,000	18,505,000	505,000
Revenue Bonds Series 2009	4,800,000	-	175,000	4,625,000	225,000
Revenue Bonds Series 2015	7,500,000	-	-	7,500,000	-
Annual Appropriation Bonds:					
Certificates of Participation:					
Series 2013 - Refunding	14,800,000	-	760,000	14,040,000	790,000
Compensated absences	476,771	739,276	691,160	524,887	524,887
	56,101,771	739,276	3,486,160	53,354,887	\$ 3,404,887
Add: Unamortized premium	297,285	-	20,385	276,900	
Less: Unamortized discount	(214,098)	-	(15,409)	(198,689)	
Unaccreted capital appreciation on bonds	(8,313,268)	-	(898,488)	(7,414,780)	
Total Business-Type Activities	\$ 47,871,690	\$ 739,276	\$ 2,592,648	\$ 46,018,318	

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, 2017, assuming the Certificates of Participation lease/purchase agreement is renewed each year, are as follows:

Years Ending September 30,	Governmental Activities				Business-Type Activities				Total Debt	
	General Obligation and Special Assessment		Annual Appropriation		Revenue Bonds		Annual Appropriation		Service Requirements To Maturity	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 2,375,000	\$ 1,653,303	\$ 880,000	\$ 419,236	\$ 2,090,000	\$ 451,745	\$ 790,000	\$ 558,895	\$ 6,135,000	\$ 3,083,179
2019	2,440,000	1,590,358	560,000	375,354	2,140,000	443,870	810,000	534,518	5,950,000	2,944,100
2020	2,505,000	1,523,098	555,000	350,165	2,165,000	434,245	845,000	502,118	6,070,000	2,809,626
2021	2,905,000	1,450,578	570,000	324,173	2,190,000	423,745	880,000	468,318	6,545,000	2,666,814
2022	2,980,000	1,366,351	595,000	296,483	2,210,000	411,964	905,000	439,718	6,690,000	2,514,516
2023-2027	16,235,000	5,533,678	2,790,000	1,020,705	10,870,000	1,831,006	5,025,000	1,681,338	34,920,000	10,066,727
2028-2032	17,750,000	3,117,091	1,735,000	219,688	9,625,000	1,395,421	4,785,000	551,517	33,895,000	5,283,717
2033-2037	11,735,000	687,947	-	-	4,440,000	1,034,263	-	-	16,175,000	1,722,210
2038-2040	-	-	-	-	3,060,000	224,388	-	-	3,060,000	224,388
	\$ 58,925,000	\$ 16,922,404	\$ 7,685,000	\$ 3,005,804	\$ 38,790,000	\$ 6,650,647	\$ 14,040,000	\$ 4,736,422	\$ 119,440,000	\$ 31,315,277

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. \$1,699,086 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 0.60% to 3.60% and mature through 2037.

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 6. These bonds bear interest at rates ranging from 3.3% to 5.25% and mature through 2040.

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$38.8 million in water system revenue bonds, Series 2003, Series 2007, Series 2009, and Series 2015. 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 2040. The total principal and interest remaining to be paid on the bonds is \$45,440,647. Principal and interest paid for the current year and total customer net revenues were \$2,491,995 and \$3,734,127 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,

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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

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

The purpose of the Series 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 2013 Certificates is to refund \$20,045,000 principal amount of the outstanding Series 2006A. The Series 2013 Certificates bear interest at rates ranging from 2.0% to 4.6% and mature May 2031.

Development Notes (Premier 370 Project)

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

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

On December 14, 2006, the City authorized the issuance of Development Notes (Series A and B) not to exceed \$19 million and was subsequently reduced to \$18 million and ultimately \$17.5 million. As of September 30, 2017, 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 \$4,871, 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 - 2016 tax year	\$ 1,149,964,768
Debt limit - 10% of assessed valuation	114,996,477
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	58,925,000
Less: Amount available in debt service fund	(1,699,086)
Bond indebtedness applicable to debt limit	<u>57,225,914</u>
Legal debt margin	<u>\$ 57,770,563</u>

7. DEBT DEFEASANCE

On February 4, 2016, the City issued \$16,170,000 in General Obligation Refunding Bonds, Series 2016 with interest rates ranging between 2.0% and 3.0%. The City issued the bonds to advance refund the remaining \$16,000,000 of outstanding principal on the General Obligation Bonds, Series 2008. The net proceeds of \$16,517,710 (after bond premium of \$579,527 and issuance cost of \$231,817) plus an additional \$844,113 of City debt service fund monies were used to purchase United States government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service on the Series 2008 bonds. As a result, the Series 2008 bonds are considered defeased, and the City has removed that liability from the governmental activities statement of net position. At September 30, 2017, the outstanding balance of the Series 2008 defeased debt is \$ 14,715,000. The defeased bonds will be redeemed on March 1, 2018.

On May 6, 2015, the City issued \$7,050,000 in General Obligation Refunding Bonds, Series 2015 with interest rates ranging between 2.0% and 3.0%. The City issued the bonds to advance refund the remaining \$7,000,000 of outstanding principal on the General Obligation Bonds, Series 2007. The Series 2007 bonds were considered defeased, and the City removed the liability from the governmental activities statement of net position. The defeased bonds were redeemed on March 1, 2017.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

8. ENTERPRISE FUNDS DEBT REQUIREMENTS

Cash and cash equivalents and investments restricted at September 30, 2017 are as follows:

Revenue Fund	\$ 66,937
Depreciation Fund	225,000
Interest Reserve Fund	500,000
Series 2003 Waterworks and Sewage Bond Debt Service Fund	680,000
Series 2007 Waterworks and Sewage Bond Debt Service Fund	252,500
Series 2009 Waterworks and Sewage Bond Debt Service Fund	205,669
Series 2015 Waterworks and Sewage Bond Debt Service Fund	132,703
	<hr/>
Subtotal restricted for debt service	2,062,809
Series 2015 Waterworks and Sewage Bond Proceeds	2,399,154
	<hr/>
Total restricted cash and investments	<u>\$ 4,461,963</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 2003 Waterworks and Sewage Revenue Bonds Debt Service Fund

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

Series 2007 Waterworks and Sewage Revenue Bonds Debt Service Fund

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

Series 2009 Waterworks and Sewage Revenue Bonds Debt Service Fund

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

Series 2015 Waterworks and Sewage Revenue Bonds Debt Service Fund

Requirements - monthly credit (1/6) of the amount of interest that will come due on the next succeeding interest payment date. Beginning in 2032, the monthly credit will be (1/12) of the debt service payment due on the next succeeding maturity date.

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

\$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, 2017, the City met all related debt reserve requirements.

9. INTERFUND BALANCES AND TRANSFERS

The following represents a reconciliation of transfers between individual funds for the fiscal year ended September 30, 2017:

	Transfers From	Transfers To	Net Transfers
Major Governmental Funds:			
General	\$ 799,112	\$ -	\$ (799,112)
Local Parks and Stormwater	2,285,371	-	(2,285,371)
Debt Service	-	2,151,371	2,151,371
Major Enterprise Funds:			
Recreation	-	933,112	933,112
	<u>\$ 3,084,483</u>	<u>\$ 3,084,483</u>	<u>\$ -</u>

Interfund transfers of \$616,000 from the General Fund and \$1,535,371 from the Local Parks and Stormwater Fund were made to the Debt Service Fund for debt payments.

An interfund transfer of \$750,000 was made from the Local Parks and Stormwater Fund to the Recreation Fund for operating support.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

An interfund transfer of \$183,112 was made from the General Fund to the Recreation Fund for tourism activities.

Individual fund interfund receivable and payable balances as of September 30, 2017 are as follows:

	Interfund Receivable	Interfund Payable
Major Governmental Funds:		
General	\$ 285,207	\$ -
Transportation Trust	-	4,032
Local Parks and Stormwater	-	3,010
Nonmajor Governmental Funds:		
Sewer Lateral Repair Program	-	61
Water Service Line Repair Program	-	41
Community Development Block Grant - Subrecipient	-	40,205
Major Enterprise Funds:		
Waterworks/Sanitary Sewer	-	89,583
Solid Waste	-	35,994
Central Materials Processing Facility	-	53,833
Recreation	-	58,448
	<u>\$ 285,207</u>	<u>\$ 285,207</u>

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

Interfund payables at September 30, 2017 include \$58,448 in the Recreation Fund, \$4,032 in the Transportation Trust Fund, \$3,010 in the Local Parks and Stormwater Fund, \$61 in the Sewer Lateral Repair Program Fund, \$41 in the Water Service Line Repair Program Fund, \$35,994 in the Solid Waste Fund, \$89,583 in the Waterworks/Sanitary Sewer Fund and \$53,833 in the Central Materials Processing Facility Fund are for reimbursement to the General Fund for insurance expense.

Interfund payables of \$40,205 in the CDBG - Subrecipient Fund are due to the elimination of negative cash balances.

10. 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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2017 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 2017, the City of St. Peters, Missouri purchased water from the Joint Venture and paid related pumping charges totaling \$893,160. These costs are included as operating expenses of the City's waterworks/sanitary sewer enterprise fund.

Condensed summary of financial information for the Joint Venture as of and for its fiscal year ended September 30, 2017 is as follows:

Assets	\$ 5,585,650
Liabilities	\$ 716,500
Partnership capital:	
St. Peters	2,903,699
St. Charles	6,227,431
Accumulated deficit:	
St. Peters	(1,355,313)
St. Charles	(2,906,667)
	<u>\$ 5,585,650</u>
Operating revenue	\$ 2,103,924
Operating expenses	(2,255,234)
Nonoperating revenue	1,224
Net Loss	<u>\$ (150,086)</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.

11. 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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2017, 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 \$1,219,810.

Changes in the self-insured claims liabilities at September 30, 2017 and 2016 were as follows:

	Workers'		
	Compensation/ General	Medical	Total
Balance - September 30, 2015	\$ 586,467	\$ 600,000	\$ 1,186,467
Add: Current Year Claims And Changes in Estimate	562,943	5,008,101	5,571,044
Less: Claim Payments	648,162	5,008,101	5,656,263
Balance - September 30, 2016	501,248	600,000	1,101,248
Add: Current Year Claims And Changes in Estimate	677,432	5,387,454	6,064,886
Less: Claim Payments	559,735	5,386,589	5,946,324
Balance - September 30, 2017	\$ 618,945	\$ 600,865	\$ 1,219,810

12. POSTEMPLOYMENT HEALTH CARE PLAN

Plan Description

Plan administration. The City administers the City of St. Peters Health Plan (Plan)- a single-employer defined benefit healthcare plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible retirees of the City and their spouses. 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.

Management of the Plan is vested with the City's Board of Aldermen as described in Note 1.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Plan membership. Membership consisted of the following at September 20, 2017, the date of the latest actuarial valuation:

Inactive plan members currently receiving benefits	129
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>405</u>
Total	<u><u>534</u></u>

Benefits provided. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer. 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) with at least 5 years of 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. Chapter 125 of the City Code grants the authority to establish and amend the benefit terms to the City's Board of Aldermen and the City Administrator.

Benefits are provided in the form of an implicit rate subsidy where retirees pay combined active/retiree rates for medical and prescription coverage. In addition, the City contributes an explicit subsidy towards the retiree health premiums for life based on the years of service accrued. In addition, eligible retirees receive a dental insurance benefit.

Contributions. Chapter 125 of the City Code provides that the amount and level of funding for the trust, if any, will be determined by the City Board of Aldermen in its judgment and discretion pursuant to the City budgetary process. The City has no obligation to make any specific amount of contributions or payments to the trust or to make contributions sufficient to fund benefits or coverage under the plan. Money held in the trust is restricted for the provision of those benefits. If the assets held by the trust are exhausted, benefits will no longer be provided under the plan for retired employees and their spouses.

As a condition to obtaining post-retirement medical coverage under the Plan, all retired employees shall make such premium payments and shall pay such contributions as may be established from time to time by the City in accordance with Chapter 125 of the City Code.

For the fiscal year 2017, the City contributed \$1,209,600 to the Plan. Plan members receiving benefits contributed approximately \$162,639 through required contributions based on their years of service.

Investments

Investment policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the City Administrator. The Plan's policies pertaining to asset allocation is described in Note 2.

Concentrations. The Plan does not have investments (other than those issued or explicitly guaranteed by the U.S. government and mutual funds) in any one organization that represents 5 percent or more of the OPEB plan's fiduciary net position.

Rate of return. For the year ended September 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 7.3 percent. The money-weighted rate of return

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The City's net OPEB liability was measured as of September 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The components of the net OPEB liability of the City at September 30, 2017, were as follows:

Total OPEB liability	\$ 58,468,271
Plan fiduciary net position	14,331,228
City's net OPEB liability	<u>\$ 44,137,043</u>
Plan fiduciary net positions as a percentage of the total OPEB liability	24.51%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of September 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%
Discount rate	3.76% (formerly 7.00%)
Healthcare cost trend rates:	
Pre-medicare medical and Rx benefits	7.0% select trend, decreasing 0.5% each year to an ultimate trend rate of 4.5%
Medicare benefits	6.0% select trend, decreasing 0.5% each year to an ultimate trend rate of 4.5%
Stop loss fees	7.0% select trend, decreasing 0.5% each year to an ultimate trend rate of 4.5%
Administrative fees	4.5% select trend, 4.5% ultimate trend
Medicare eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65
Actuarial cost method	Entry age normal based on level percentage of projected salary
Amortization method	<i>Experience</i> gains and losses are amortized over a closed period of 6.7 years starting on October 1, 2016, equal to the average remaining service of active and inactive plan members (who have no future service) <i>Investment</i> gains and losses are amortized over a closed period of five years starting on October 1, 2016

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

The discount rate was based the index rate for 20-year tax-exempt general obligation bonds with an average rating of AA/Aa or higher (Bond Buyer 20-Bond GO Index) as of June 30, 2017 (3.58 percent) and the estimated long-term rate of return for the City's OPEB trust (6.89 percent).

Mortality rates were based on the RP-2014 Generational Table using Scale MP-16, applied on a gender-specific basis.

The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 100% of all employees and their dependents who are eligible for early retirement benefits will participate in the retiree medical plan. This assumes that a one-time irrevocable election to participate is made at retirement.

The long-term target allocation and allowable ranges of asset classes is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Allowable ranges for asset classes</u>
Equity	50.0%	40.0% to 60.0%
Fixed income	35.0	10.0 to 40.0
Money Markets	5.0	1.0 up to 40.0
Alternative Investments	10.0	Up to 10.0

Changes in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at September 30, 2016	\$ 26,340,665	\$ 12,918,226	\$ 13,422,439
Change for the year:			
Service cost	2,006,211	-	2,006,211
Interest cost	1,037,807	-	1,037,807
Differences between expected and actual experience	3,029,810	-	3,029,810
Changes in assumptions or other inputs	26,950,245	-	26,950,245
Contributions-employer	-	1,372,239	(1,372,239)
Net investment income	-	1,313,337	(1,313,337)
Benefit payments	(896,467)	(896,467)	-
Administrative expense	-	(376,107)	376,107
Net changes	32,127,606	1,413,002	30,714,604
Balances at September 30, 2017	\$ 58,468,271	\$ 14,331,228	\$ 44,137,043

Impact of Changes of Benefit Terms. There were no changes of benefit terms that impacted the valuation.

Impact of Plan Experience. The impact of plan experience is valued as a loss of \$3 million in respect to the Total OPEB Liability. The overall claims experience and census changes are reflected by this change.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Impact of Changes of Assumptions. The impact of changes in assumptions is valued at a loss of \$27 million in respect to the Total OPEB Liability. This occurred due to many assumptions changes, such as a re-evaluation of the discount rate using the current GASB 74/75 standards (this accounted for most of the assumption loss at \$21 million), use of an updated mortality table which reflects participants living longer, higher than expected claims and contributions, and the actuarial cost method. The remainder of the changes are due to accrual of benefits and the passage of time.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.76 percent) or 1-percentage point higher (4.76 percent) than the current discount rate:

	1% Decrease (2.76%)	Current Discount Rate (3.76%)	1% Increase (4.76%)
Net OPEB liability	\$ 32,649,000	\$ 44,137,043	\$ 53,105,000

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend	1% Increase
Net OPEB liability	\$ 32,873,000	\$ 44,137,043	\$ 52,546,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2017, the City recognized OPEB expense of \$6,932,329. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,576,357	\$ -
Changes of assumptions/inputs	22,916,773	-
Net difference between projected and actual investments	-	338,617
Total	<u>\$ 25,493,130</u>	<u>\$ 338,617</u>

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	Net Deferred Outflows and Inflows of Resources
2018	\$ 4,402,271
2019	4,402,271
2020	4,402,271
2021	4,402,271
2022	4,486,925
Thereafter	3,058,503

13. COMMITMENTS AND CONTINGENCIES

Litigation

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

Federal Grants

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

Construction Commitments

During the year ended September 30, 2017, the City entered into an intergovernmental cooperation and development agreement. In accordance with the agreement, the City paid \$250,000 for approximately 66 acres of land with an appraised value of \$2,940,000. The City is obligated to complete certain road work and utility work which constitutes additional consideration for the sale of the land. The value of the road work and utility work has not yet been determined and therefore, is not accrued in the accompanying financial statements. The contributed capital is recorded as a deferred inflow of resource on the government-wide financial statements until the obligation has been met.

14. 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, 2017, \$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, 2017, \$38,105,237 of these Taxable Industrial Revenue Bonds have been issued and remain outstanding.

The City authorized the issuance of \$31.5 million Taxable Industrial Revenue Bonds (Reckitt Benckiser LLC Logistics Center Project), Series 2016 for the purpose of acquiring certain real property and constructing an approximately 715,000 square foot facility to be used for warehousing, custom manufacturing and repackaging operations purposes. At September 30, 2017, the aggregate outstanding amount is \$31.5 million. The City has no obligation for repayment of this debt.

During the year ended September 30, 2017, the City authorized the issuance of Taxable Industrial Revenue Bonds (2000 Premier Parkway Project-Best Buy), Series 2016, in the maximum principal amount of \$18,000,000, for the purpose of acquiring certain real property located at 2000 Premier Parkway in the City and constructing an approximately 252,000 square foot facility thereon to be used for warehousing purposes. At September 30, 2017, the aggregate outstanding amount is \$1,963,147. The City has no obligation for repayment of this debt.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

15. ENCUMBRANCES

The following encumbrances were outstanding as of September 30, 2017:

Fund	Amount
Major Governmental Funds:	
General	\$ 518,475
Transportation Trust	4,207,938
Local Parks and Stormwater	1,499,367
Capital Projects	8,144,204
	<u>14,369,984</u>
Nonmajor Governmental Funds	<u>1,813,170</u>
Major Enterprise Funds:	
Waterworks/Sanitary Sewer	1,077,908
Solid Waste	1,093,193
Central Materials Processing Facility	63,309
Recreation	34,173
	<u>2,268,583</u>
Total	<u><u>\$ 18,451,737</u></u>

16. TAX ABATEMENTS

Chapter 100

The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution, and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the "Act"), to purchase, construct, extend and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

The City issues the Bonds (to be purchased by the Company) under the Act for the purpose of paying a portion of the Project Costs. In connection with the issuance of the Bonds, the City will acquire fee simple title to the Project from the Company.

So long as the City owns title to the Project, the City expects that the Project will be exempt from ad valorem taxes on real property. The Companies covenant and agree that, during each year the Project is exempt from ad valorem real property taxes by reason of the City's ownership thereof, the Companies will make Payments in Lieu of Taxes (PILOT) Payments in such amounts and at such times set forth in each agreement.

During the year ended September 30, 2017 the City had two Chapter 100 issues and abated property taxes totaling \$243,411. Both of these were for the same company, whose principal business is the manufacturing and sale of polyethylene bottles and caps for such products as beverage containers, home care products, beauty care products, and oils and other lubricants. The projects assisted in expanding their operations including real and personal property.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Chapter 353

The City is authorized and empowered pursuant to the provisions of Chapter 353 of the Revised Statutes of Missouri ("Chapter 353") which authorizes the City to approve development plans that allow for the redevelopment of blighted areas within the City and grant real property tax abatement to encourage such redevelopment. During the year ended September 30, 2017 the City had one active Chapter 353 project which had provided for the demolition of all of the structures within the Redevelopment Area and the constructed a hotel. The total abatement for this project was \$186,276.

The City has made no other commitments, other than to abate taxes, as part of these tax abatement agreements.

17. SUBSEQUENT EVENTS

Subsequent to September 30, 2017, the City issued \$4,000,000 Series 2018 General Obligation Bonds for the purpose of construction/reconstruction and professional services for projects related to storm water pollution control, storm water management and creek bank stabilization. The Series 2018 Bonds bear interest at rates ranging from 3% to 8% and mature February 1, 2038.

Subsequent to September 30, 2017, the City authorized the sale of \$3,000,000 Series 2018 Certificate of Participation Leasehold Bonds. The proceeds of the Certificates together with a portion of proceeds from the sale of general obligation bonds in 2017 will be used to fund the construction of various park improvements including a clubhouse and a new banquet/community center at St. Peters Golf Course. The bonds are anticipated to be sold in March 2018.

Subsequent to September 30, 2017, the City authorized the issuance of Taxable Industrial Revenue Bonds for the Patmos Associates, L.L.C./Seyer Industries, Inc. Project. The Real Property Bonds \$6,500,000 (to be purchased by Patmos Associates) and the Personal Property Bonds \$20,000,000 (to be purchased by Seyer) under the Act for the purpose of paying a portion of the Project Costs. In connection with the issuance of the Bonds, the City will acquire title to the Project Improvements from Patmos Associates and title to the Project Equipment from Seyer. The Real Property Bonds will be used for the purpose of constructing an expansion on an approximately 48,000 square foot site to the existing manufacturing facilities located at 55 and 66 Patmos Court, and the Personal Property Bonds will be used for the purpose of acquiring and installing certain equipment and other personal property to be used in the manufacturing facilities located at 55 and 66 Patmos Court.

Subsequent to September 30, 2017, the City authorized the issuance of Taxable Industrial Revenue Bonds for the Scannell Properties/FedEx Ground Project in the maximum principal amount of \$50,000,000 for the purpose of acquiring certain real property located in the Premier 370 Business Park, and constructing an approximately 496,209 square foot facility thereon (the "Project Improvements" and, together with the Project Site, the "Project") to be used for package distribution and storage purposes.

18. 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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

governing bodies. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

In November 2016, the GASB approved Statement No. 83 "Certain Asset Retirement Obligations." This Statement addresses the accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

In January 2017, the GASB approved Statement No. 84, "Fiduciary Activities." This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In March 2017, the GASB approved Statement No. 85, "Omnibus 2017." The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In May 2017, the GASB approved Statement No. 86, "Certain Debt Extinguishment Issues." The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In June 2017, the GASB approved Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

The effects of 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, 2017**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget	Actual	
Revenues:				
Sales tax	\$ 14,460,500	\$ 14,685,100	\$ 14,279,883	\$ (405,217)
Property tax	7,243,900	7,441,900	7,545,403	103,503
Utility franchise tax	4,715,800	4,715,800	4,411,511	(304,289)
Cigarette tax	190,000	190,000	172,031	(17,969)
Licenses and permits	1,098,000	1,098,000	1,771,852	673,852
Interest	5,000	5,000	(212)	(5,212)
Intergovernmental	3,210,000	3,210,000	3,652,271	442,271
Fines and forfeitures	1,830,400	1,184,000	1,228,711	44,711
Charges for services	744,600	744,600	674,986	(69,614)
Miscellaneous	594,400	594,400	580,757	(13,643)
Total Revenues	34,092,600	33,868,800	34,317,193	448,393
Expenditures:				
General government	1,822,150	2,322,150	1,998,635	323,515
Administration	4,721,340	4,881,340	4,160,166	721,174
Police	13,237,490	13,237,490	12,349,674	887,816
Municipal court	492,030	515,200	483,962	31,238
Public works	2,186,000	2,186,000	1,994,411	191,589
Engineering	1,987,160	1,987,160	1,887,048	100,112
Maintenance	1,448,410	536,940	455,216	81,724
Health	737,945	1,686,815	1,497,810	189,005
Parks and recreation	4,374,820	4,387,820	4,073,174	314,646
Communications	1,038,985	1,038,985	986,456	52,529
Community and arts	225,575	225,575	197,095	28,480
Capital outlay	2,048,510	1,378,010	1,119,082	258,928
Debt service:				
Principal	345,000	345,000	345,000	-
Interest and fiscal charges	36,500	36,500	35,765	735
Total Expenditures	34,701,915	34,764,985	31,583,494	3,181,491
Revenues (Under) Over Expenditures	(609,315)	(896,185)	2,733,699	3,629,884
Other Financing Uses:				
Transfers out	(771,900)	(771,900)	(799,112)	(27,212)
Net Changes in Fund Balance	(1,381,215)	(1,668,085)	1,934,587	3,602,672
Fund Balances:				
Budget basis:				
Unreserved:				
Beginning of year	6,965,803	6,965,803	6,965,803	-
Transfer from (to) reserved	350,000	(450,000)	(496,128)	(46,128)
End of year	5,934,588	4,847,718	8,404,262	3,556,544
Reserved:				
Beginning of year	6,383,436	6,383,436	6,383,436	-
Transfer from (to) unreserved	(350,000)	450,000	496,128	46,128
End of Year	6,033,436	6,833,436	6,879,564	46,128
Budget basis, end of year	\$ 11,968,024	\$ 11,681,154	15,283,826	\$ 3,602,672
Budget basis receivable			(13,677)	
Budget basis prepaid item			(3,373)	
Encumbrances, end of year			518,475	
Property tax - deferred revenue, end of year			(103,048)	
GAAP basis, end of year			\$ 15,682,203	

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

CITY OF ST. PETERS, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION -
BUDGET BASIS - TRANSPORTATION TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget		
Revenues:				
Sales tax	\$7,230,250	\$7,342,550	\$7,139,943	\$ (202,607)
Interest	1,000	1,000	9,660	8,660
Intergovernmental	7,326,230	4,678,855	3,072,481	(1,606,374)
Miscellaneous	60,000	60,000	1,111,321	1,051,321
Total Revenues	14,617,480	12,082,405	11,333,405	(749,000)
Expenditures:				
Public works	4,958,815	4,915,015	3,897,670	1,017,345
Capital outlay	10,939,105	9,741,245	6,189,245	3,552,000
Debt service	761,500	761,500	760,640	860
Total Expenditures	16,659,420	15,417,760	10,847,555	4,570,205
Revenues (Under) Over Expenditures	(2,041,940)	(3,335,355)	485,850	3,821,205
Other Financing Sources:				
Transfers in	341,950	1,007,830	-	(1,007,830)
Net Changes In Fund Balance	(1,699,990)	(2,327,525)	485,850	2,813,375
Fund Balances:				
Budget basis:				
Unreserved:				
Beginning of year	3,607,182	3,607,182	3,607,182	-
Transfer from (to) reserved	-	-	40	40
End of year	1,907,192	1,279,657	4,093,072	2,813,415
Reserved:				
Beginning of year	628,656	628,656	628,656	-
Transfer from (to) reserved	-	-	(40)	(40)
End of year	628,656	628,656	628,616	(40)
Budget basis, end of year	<u>\$2,535,848</u>	<u>\$1,908,313</u>	4,721,688	<u>\$ 2,813,375</u>
Budget basis receivable			(1,848,983)	
Budget basis prepaid item			(57,750)	
Encumbrances, end of year			<u>4,207,938</u>	
GAAP basis, end of year			<u><u>\$7,022,893</u></u>	

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

CITY OF ST. PETERS, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION -
BUDGET BASIS - LOCAL PARKS AND STORMWATER FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Revised Final Budget		
Revenues:				
Sales tax	\$ 7,230,250	\$ 7,342,550	\$ 7,078,266	\$ (264,284)
Interest	2,000	2,000	5,210	3,210
Intergovernmental	-	-	8,216	8,216
Charges for services	11,000	11,000	17,690	6,690
Miscellaneous	175,000	175,000	246,697	71,697
Total Revenues	7,418,250	7,530,550	7,356,079	(174,471)
Expenditures:				
Police	624,005	624,005	585,221	38,784
Public works	2,311,100	2,253,100	2,006,353	246,747
Parks and recreation	392,555	392,555	462,716	(70,161)
Capital outlay	1,918,800	2,760,189	2,285,888	474,301
Debt service	164,500	164,500	163,956	544
Total Expenditures	5,410,960	6,194,349	5,504,134	690,215
Revenues Over Expenditures	2,007,290	1,336,201	1,851,945	515,744
Other Financing Uses:				
Transfers out	(2,398,350)	(2,295,000)	(2,285,371)	9,629
Net Changes in Fund Balance	(391,060)	(958,799)	(433,426)	525,373
Fund Balances:				
Budget basis:				
Unreserved:				
Beginning of year	2,015,387	2,015,387	2,015,387	-
Transfers from (to) reserved	(125,000)	392,000	406,334	14,334
End of year	1,499,327	1,448,588	1,988,295	539,707
Reserved:				
Beginning of year	1,165,878	1,165,878	1,165,878	-
Transfers from (to) reserved	125,000	(392,000)	(406,334)	(14,334)
End of year	1,290,878	773,878	759,544	(14,334)
Budget basis, end of year	\$ 2,790,205	\$ 2,222,466	2,747,839	\$ 525,373
GAAP basis receivable			-	
Encumbrances, end of year			1,499,367	
GAAP basis, end of year			\$ 4,247,206	

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

CITY OF ST. PETERS, MISSOURI

**NOTES TO BUDGETARY COMPARISON INFORMATION
SEPTEMBER 30, 2017**

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, 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.
- 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

**EMPLOYEES' RETIREMENT SYSTEM -
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2017**

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

**Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years**

<i>Fiscal year ending September 30,</i>	2017	2016	2015
Total Pension Liability			
Service cost	\$ 3,239,576	\$ 3,228,465	\$ 3,138,201
Interest on the total pension liability	10,075,523	9,329,666	8,844,697
Benefit changes	-	-	-
Difference between expected and actual experience	(1,622,173)	(2,000,550)	(1,517,411)
Assumption changes	-	4,255,947	-
Benefit payments, including refunds	(5,148,349)	(3,935,468)	(3,709,697)
Net Change in Total Pension Liability	6,544,577	10,878,060	6,755,790
Total Pension Liability Beginning	139,910,421	129,032,361	122,276,571
Total Pension Liability Ending	\$ 146,454,998	\$ 139,910,421	\$ 129,032,361
Plan Fiduciary Net Position			
Contributions-employer	\$ 3,400,417	\$ 3,694,805	\$ 3,962,002
Contributions-employee	1,036,029	1,030,281	1,023,984
Pension plan net investment income	15,276,136	(348,467)	2,516,940
Benefit payments, including refunds	(5,148,349)	(3,935,468)	(3,709,697)
Pension plan administrative expense	(54,198)	(53,004)	(57,042)
Other	(593,195)	(772,351)	825,771
Net Change in Plan Fiduciary Net Position	13,916,840	(384,204)	4,561,958
Plan Fiduciary Net Position beginning	128,329,511	128,713,715	124,151,757
Plan Fiduciary Net Position ending	\$ 142,246,351	\$ 128,329,511	\$ 128,713,715
Employer Net Pension Liability	\$ 4,208,647	\$ 11,580,910	\$ 318,646
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	97.13%	91.72%	99.75%
Covered Employee Payroll	\$ 25,682,355	\$ 25,802,519	\$ 25,343,479
Employer's Net Pension Liability as a percentage of covered employee payroll	16.39%	44.88%	1.26%

Notes to schedule:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF ST. PETERS, MISSOURI

**EMPLOYEES' RETIREMENT SYSTEM – SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2017**

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 3,341,341	\$ 3,758,208	\$ 3,931,857	\$ 4,012,044	\$ 4,093,859	\$ 3,772,678	\$ 3,696,433	\$ 2,764,227	\$ 2,645,769	\$ 2,622,949
Contributions in relation to the actuarially determined contribution	3,341,341	3,758,208	3,931,858	3,957,591	3,629,022	3,277,500	2,996,125	2,764,226	2,645,769	2,622,950
Contribution deficiency (excess)	\$ -	\$ -	\$ (1)	\$ 54,453	\$ 464,837	\$ 495,178	\$ 700,308	\$ 1	\$ -	\$ (1)
Covered-employee payroll	\$26,104,225	\$26,757,662	\$25,580,737	\$24,990,193	\$24,230,840	\$23,449,756	\$23,075,203	\$23,072,006	\$22,304,334	\$21,420,367
Contributions as a percentage of covered-employee payroll	12.80%	14.05%	15.37%	15.84%	14.98%	13.98%	12.98%	11.98%	11.86%	12.25%

Notes to Schedule:

Methods and assumptions used to determine contribution rates for the most recent year include:

Valuation date	February 28/29 of each year
Notes	The roll-forward of total pension liability from February 28, 2017 to June 30, 2017 (measurement date) reflects expected service cost and interest reduced by actual benefit payments.
Actuarial cost method	Entry age normal cost and modified terminal funding
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple bases from 13 to 15 years
Asset valuation method	5-year smoothed market; 20% corridor
General inflation	3.25% wage inflation; 2.50% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the post retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information:

Assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

**OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2017**

Fiscal year ending September 30,

2017

Total OPEB Liability

Service cost	\$ 2,006,211
Interest cost	1,037,807
Differences between expected and actual experience	3,029,810
Changes in assumptions or other inputs	26,950,245
Benefit payments	(896,467)
Net change in total OPEB liability	32,127,606
Total OPEB Liability Beginning	26,340,665
Total OPEB Liability Ending	\$ 58,468,271

Plan Fiduciary Net Position

Contributions-employer	\$ 1,209,600
Contributions-employee	162,639
Net investment income	1,313,337
Benefit payments	(896,467)
Administrative expense	(376,107)
Net Change in Plan Fiduciary Net Position	1,413,002
Plan Fiduciary Net Position beginning	12,918,226
Plan Fiduciary Net Position ending	\$ 14,331,228

Net OPEB Liability

\$ 44,137,043

Plan Fiduciary Net Position as a percentage of the

Total OPEB Liability 24.51%

Covered Employee Payroll

\$ 25,768,856

**Employer's Net OPEB Liability as a percentage
of covered employee payroll**

171.28%

Notes to schedule:

Assumption changes - See Note 12.

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF ST. PETERS, MISSOURI

**OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2017**

	<u>2017</u>
Actuarially determined contribution	\$ 2,874,387
Contributions in relation to the actuarially determined contribution	<u>2,268,706</u>
Contribution deficiency (excess)	<u>\$ 605,681</u>
Covered-employee payroll	\$ 25,768,856
Contributions as a percentage of covered-employee payroll	8.80%

Notes to Schedule:

Methods and assumptions used to determine contribution rates for the most recent year include:

Valuation date	September 30 of each year
Actuarial cost method	Entry age normal based on level percentage of projected salary
Amortization method and period	<i>Experience</i> gains and losses are amortized over a closed period of 6.7 years starting on October 1, 2016, equal to the average remaining service of active and inactive plan member (who have no future service). <i>Investment</i> gains and losses are amortized over a closed period of 5 years starting on October 1, 2016.
Inflation	2.50%
Healthcare cost trend rates	
Pre-medicare medical and Rx benefits	7.0% select trend, decreasing 0.5% each year to an ultimate trend rate of 4.5%
Medicare benefits	6.0% select trend, decreasing 0.5% each year to an ultimate trend rate of 4.5%
Stop loss fees	7.0% select trend, decreasing 0.5% each year to an ultimate trend rate of 4.5%
Administration fees	4.5% select trend, 4.5% ultimate trend rate
Salary increases	3.50%
Investment rate of return	6.89%
Retirement age	Annual retirement probabilities were developed from the Missouri Local Government Employees Retirement System ("LAGERS") Actuarial Valuation as of July 1, 2015.
Mortality	RP-2014 Generational Table using Scale MP-16, applied on a gender-specific basis

Other information:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

The City's contribution in relation to the actuarially determined contribution is comprised of payments made to the trust and retiree claim payments.

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

**OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF INVESTMENT RETURNS
SEPTEMBER 30, 2017**

2017

Annual money-weighted rate of return, net of investment expense 7.30%

Notes to schedule:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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 Subrecipient Fund - Used to account for federal grant proceeds passed through St. Charles County to provide assistance to low and moderate income persons.

County Sewer Lateral Repair Program Fund - Used to account for revenues received from a voter approved special property assessment used to assist in the repair of sewer lateral lines for unincorporated St. Charles County residents with sanitary sewer service provided by the City.

CITY OF ST. PETERS, MISSOURI

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017**

	Sewer Lateral Repair Program Fund	Water Service Line Repair Program Fund	Special Allocation Funds		Community Development Block Grant Sub- recipient Fund	County Sewer Lateral Repair Program Fund	Total
			Old Town	Lakeside Redevelopment			
Assets:							
Cash and cash investments:							
Unrestricted	\$ 938,525	\$ 228,762	\$ 5,964,624	\$ 683,610	\$ -	\$ 54,249	\$ 7,869,770
Held by trustees	-	-	-	2,223	-	-	2,223
Receivables, net of allowances where applicable:							
Taxes	-	-	-	4,788	-	-	4,788
Intergovernmental	-	-	-	-	40,317	-	40,317
Other	3,080	1,338	7,493	-	123,983	-	135,894
Long-term receivables	-	-	-	-	632,175	-	632,175
Inventory and prepaid items	-	-	-	-	10,000	-	10,000
Total Assets	\$ 941,605	\$ 230,100	\$ 5,972,117	\$ 690,621	\$ 806,475	\$ 54,249	\$ 8,695,167
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable	\$ 24,691	\$ 44,609	\$ 376,104	\$ 22,333	\$ 10,112	\$ -	\$ 477,849
Accrued liabilities	568	364	-	-	-	-	932
Deposits/guarantee bonds	-	-	-	-	-	300	300
Due to other funds	61	41	-	-	40,205	-	40,307
Total Liabilities	25,320	45,014	376,104	22,333	50,317	300	519,388
Fund Balances:							
Nonspendable	-	-	-	-	10,000	-	10,000
Restricted for:							
Sewer lateral projects	916,285	-	-	-	-	53,949	970,234
Special allocation projects	-	-	5,596,013	666,065	-	-	6,262,078
Grants	-	-	-	-	746,158	-	746,158
Debt service	-	-	-	2,223	-	-	2,223
Water line repair projects	-	185,086	-	-	-	-	185,086
Total Fund Balances	916,285	185,086	5,596,013	668,288	756,158	53,949	8,175,779
Total Liabilities and Fund Balances	\$ 941,605	\$ 230,100	\$ 5,972,117	\$ 690,621	\$ 806,475	\$ 54,249	\$ 8,695,167

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Sewer Lateral Repair Program Fund	Water Service Line Repair Program Fund	Special Allocation Funds		Community Development Block Grant Sub- recipient Fund	County Sewer Lateral Repair Program Fund	Total
			Old Town	Lakeside Redevelop- ment			
Revenues:							
Sales tax	\$ -	\$ -	\$ 960,227	\$ 127	\$ -	\$ -	\$ 960,354
Property tax	-	-	948,541	123,116	-	-	1,071,657
Interest	997	263	11,154	652	-	39	13,105
Intergovernmental	-	-	-	-	251,469	-	251,469
Charges for services	538,120	221,028	-	-	-	59,050	818,198
Miscellaneous	-	-	78	-	-	-	78
Total Revenues	539,117	221,291	1,920,000	123,895	251,469	59,089	3,114,861
Expenditures:							
General government	-	-	323,855	2,772	260,272	-	586,899
Public works	395,333	228,485	69,990	-	-	5,140	698,948
Capital outlay	-	-	1,869,712	-	-	-	1,869,712
Debt service:							
Other	-	-	-	5,300	-	-	5,300
Total Expenditures	395,333	228,485	2,263,557	8,072	260,272	5,140	3,160,859
Net Changes In Fund Balance	143,784	(7,194)	(343,557)	115,823	(8,803)	53,949	(45,998)
Fund Balances:							
Beginning of year	772,501	192,280	5,939,570	552,465	764,961	-	8,221,777
End of year	\$ 916,285	\$ 185,086	\$ 5,596,013	\$ 668,288	\$ 756,158	\$ 53,949	\$ 8,175,779

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

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

Page 1 of 2

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 704,500	\$ 960,227	\$ 255,727
Property tax	-	-	-	-	-	-	900,000	948,541	48,541
Interest	5,000	997	(4,003)	-	263	263	5,000	11,154	6,154
Charges for services	525,000	538,120	13,120	223,000	221,028	(1,972)	-	-	-
Miscellaneous	-	-	-	-	-	-	-	78	78
Total Revenues	530,000	539,117	9,117	223,000	221,291	(1,709)	1,609,500	1,920,000	310,500
Expenditures:									
General government	-	-	-	-	-	-	340,000	323,855	16,145
Public works	725,700	275,373	450,327	287,000	214,260	72,740	-	106,765	(106,765)
Capital outlay	-	-	-	-	-	-	1,526,083	999,221	526,862
Total Expenditures	725,700	275,373	450,327	287,000	214,260	72,740	1,866,083	1,429,841	436,242
Net Changes in Fund Balance	(195,700)	263,744	459,444	(64,000)	7,031	71,031	(256,583)	490,159	746,742
Fund Balances:									
Budget basis:									
Unreserved:									
Beginning of year	642,291	642,291	-	178,055	178,055	-	3,302,934	3,302,934	-
Transfers from (to) reserved	-	-	-	-	-	-	-	-	-
End of year	446,591	906,035	459,444	114,055	185,086	71,031	3,046,351	3,793,093	746,742
Reserved:									
Beginning of year	-	-	-	-	-	-	-	-	-
Transfers from (to) reserved	-	-	-	-	-	-	-	-	-
End of year	-	-	-	-	-	-	-	-	-
Budget basis, end of year	\$ 446,591	906,035	\$ 459,444	\$ 114,055	185,086	\$ 71,031	\$ 3,046,351	3,793,093	\$ 746,742
Budget basis receivable		-			-			-	
Encumbrances, end of year		10,250			-			1,802,920	
GAAP basis, end of year		\$ 916,285			\$ 185,086			\$ 5,596,013	

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

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

Page 2 of 2

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Special Allocation Fund - Lakeside Redevelopment			Community Development Block Grant Subrecipient Fund			County Sewer Lateral Repair Program 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	\$ -	\$ 127	\$ 127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax	120,000	123,116	3,116	-	-	-	-	-	-
Interest	-	652	652	-	-	-	-	39	39
Intergovernmental	-	-	-	323,338	251,469	(71,869)	-	-	-
Charges for services	-	-	-	-	-	-	70,000	59,050	(10,950)
Total Revenues	120,000	123,895	3,895	323,338	251,469	(71,869)	70,000	59,089	(10,911)
Expenditures:									
General government	6,000	2,772	3,228	328,293	256,424	71,869	-	-	-
Public works	-	-	-	-	-	-	70,000	5,140	64,860
Debt service	5,000	5,300	(300)	-	-	-	-	-	-
Total Expenditures	11,000	8,072	2,928	328,293	256,424	71,869	70,000	5,140	64,860
Net Changes in Fund Balance	109,000	115,823	6,823	(4,955)	(4,955)	-	-	53,949	53,949
Fund Balances:									
Budget basis:									
Unreserved:									
Beginning of year	549,815	549,815	-	4,955	4,955	-	-	-	-
Transfers from (to) reserved	-	-	-	-	-	-	-	-	-
End of year	658,815	665,638	6,823	-	-	-	-	53,949	53,949
Reserved:									
Beginning of year	2,650	2,650	-	-	-	-	-	-	-
Transfers from (to) reserved	-	-	-	-	-	-	-	-	-
End of year	2,650	2,650	-	-	-	-	-	-	-
Budget basis, end of year	<u>\$ 661,465</u>	<u>668,288</u>	<u>\$ 6,823</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>53,949</u>	<u>\$ 53,949</u>
Budget basis receivable		-			756,158			-	
Encumbrances, end of year		-			-			-	
GAAP basis, end of year		<u>\$ 668,288</u>			<u>\$ 756,158</u>			<u>\$ 53,949</u>	

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Debt Service Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Property tax	\$ 1,791,700	\$ 1,883,263	\$ 91,563
Interest	5,000	1,959	(3,041)
Miscellaneous	5,000	8,127	3,127
Total Revenues	<u>1,801,700</u>	<u>1,893,349</u>	<u>91,649</u>
Expenditures:			
Debt service	3,475,000	3,456,409	18,591
Total Expenditures	<u>3,475,000</u>	<u>3,456,409</u>	<u>18,591</u>
Revenues Under Expenditures	(1,673,300)	(1,563,060)	110,240
Other Financing Sources:			
Transfers in	2,166,900	2,151,371	(15,529)
Net Changes in Fund Balance	493,600	588,311	94,711
Fund Balances:			
Budget basis:			
Unreserved:			
Beginning of year	1,136,775	1,136,775	-
End of year	1,630,375	1,725,086	94,711
Budget basis, end of year	<u>\$ 1,630,375</u>	<u>1,725,086</u>	<u>\$ 94,711</u>
Property tax - deferred revenue, end of year		(26,000)	
GAAP basis, end of year		<u>\$ 1,699,086</u>	

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -
BUDGET BASIS - ENTERPRISE FUND - WATERWORKS/SANITARY
SEWER FUND - (UTILITY OPERATING FUND)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Water and sewer	\$ 10,580,400	\$ 10,806,304	\$ 225,904
Interest	1,000	4,743	3,743
Miscellaneous	1,442,400	1,518,054	75,654
Total Revenues	12,023,800	12,329,101	305,301
Expenses:			
Personnel costs	4,362,810	4,092,130	270,680
Utilities	766,600	685,631	80,969
Purchased water	822,000	893,160	(71,160)
Wastewater treatment costs	110,000	128,805	(18,805)
Repairs and maintenance	868,115	862,282	5,833
Chemicals and supplies	388,450	375,935	12,515
Professional services	411,650	365,549	46,101
Supplies and other	308,685	259,789	48,896
Insurance	46,600	19,457	27,143
Gasoline and fuel	114,000	72,956	41,044
Rent	13,000	19,151	(6,151)
Miscellaneous	843,000	832,831	10,169
Total Expenses	9,054,910	8,607,676	447,234
Net Revenues Before Capital Revenues (Expenditures) and (Debt Service and Fees)	2,968,890	3,721,425	752,535
Capital Expenditures	(662,000)	(594,086)	67,914
Debt Service and Fees	(2,495,250)	(2,493,129)	2,121
Net Changes in Net Position	(188,360)	634,210	822,570
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	1,220,046	1,220,046	-
Transfers from (to) reserved	(24,875)	(27,941)	(3,066)
End of year	<u>1,006,811</u>	<u>1,826,315</u>	<u>819,504</u>
Reserved:			
Beginning of year	1,970,721	1,970,721	-
Transfers from (to) reserved	24,875	27,941	3,066
End of year	<u>1,995,596</u>	<u>1,998,662</u>	<u>3,066</u>
Budget basis, end of year	\$ 3,002,407	\$ 3,824,977	\$ 822,570

* 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, 2017**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Trash collection	\$ 5,911,900	\$ 5,975,217	\$ 63,317
Miscellaneous	169,600	150,811	(18,789)
Interest	500	2,385	1,885
Total Revenues	6,082,000	6,128,413	46,413
Expenses:			
Personnel costs	2,620,730	2,539,625	81,105
Utilities	56,900	44,375	12,525
Disposal fees	1,224,600	1,233,305	(8,705)
Repairs and maintenance	320,000	289,839	30,161
Capital expenditures	1,133,700	1,151,820	(18,120)
Chemicals and supplies	4,550	2,534	2,016
Professional services	23,200	24,303	(1,103)
Supplies and other	75,850	59,997	15,853
Insurance	27,700	30,164	(2,464)
Gasoline and fuel	252,000	165,399	86,601
Rent	1,800	1,086	714
Miscellaneous	759,100	761,527	(2,427)
Total Expenses	6,500,130	6,303,974	196,156
Net Changes in Net Position	(418,130)	(175,561)	242,569
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	1,889,878	1,889,878	-
Transfers from (to) reserved	(500,000)	(500,000)	-
End of year	971,748	1,214,317	242,569
Reserved:			
Beginning of year	250,000	250,000	-
Transfers from (to) reserved	500,000	500,000	-
End of year	750,000	750,000	-
Budget basis, end of year	\$ 1,721,748	\$ 1,964,317	\$ 242,569

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -
BUDGET BASIS - ENTERPRISE FUND -
CENTRAL MATERIALS PROCESSING FACILITY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Tipping fees	\$ 2,668,000	\$ 2,875,361	\$ 207,361
Recycling fees	1,265,100	1,440,622	175,522
Earth Centre	438,000	557,056	119,056
Interest	500	1,195	695
Miscellaneous	19,200	13,122	(6,078)
Total Revenues	4,390,800	4,887,356	496,556
Expenses:			
Personnel costs	1,910,780	1,732,163	178,617
Disposal fees	1,429,100	1,428,102	998
Utilities	58,800	48,399	10,401
Capital expenditures	90,500	70,981	19,519
Professional services	45,900	48,641	(2,741)
Repairs and maintenance	107,820	136,696	(28,876)
Insurance	21,000	21,724	(724)
Gasoline and fuel	41,600	21,107	20,493
Supplies and other	655,640	618,722	36,918
Total Expenses	4,361,140	4,126,535	234,605
Net Changes in Net Position	29,660	760,821	731,161
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	598,290	598,290	-
End of year	627,950	1,359,111	731,161
Reserved:			
Beginning of year	175,000	175,000	-
End of year	175,000	175,000	-
Budget basis, end of year	\$ 802,950	\$ 1,534,111	\$ 731,161

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -
BUDGET BASIS - ENTERPRISE FUND - RECREATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Recreation	\$ 7,170,100	\$ 7,138,434	\$ (31,666)
Interest	500	1,113	613
Total Revenues	7,170,600	7,139,547	(31,053)
Expenses:			
Personnel costs	4,406,575	4,456,439	(49,864)
Utilities	995,300	885,751	109,549
Repairs and maintenance	247,150	302,858	(55,708)
Capital expenditures	121,700	106,421	15,279
Chemicals and supplies	72,000	74,335	(2,335)
Professional services	150,050	135,497	14,553
Supplies and other	399,690	403,529	(3,839)
Concessions	238,500	224,913	13,587
Insurance	52,600	48,341	4,259
Gasoline and fuel	27,250	13,884	13,366
Miscellaneous	80,600	90,867	(10,267)
Total Expenses	6,791,415	6,742,835	48,580
Net Revenues Before Debt Service and Fees	379,185	396,712	17,527
Debt Service and fees	1,352,500	1,350,897	1,603
Revenues Under Expenses	(973,315)	(954,185)	19,130
Other Financing Sources:			
Transfers in	900,000	933,112	33,112
Net Changes in Net Position	(73,315)	(21,073)	52,242
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	106,034	106,034	-
Transfers from (to) reserved	(5,000)	(5,000)	-
End of year	27,719	79,961	52,242
Reserved:			
Beginning of year	754,547	754,547	-
Transfers from (to) reserved	5,000	5,000	-
End of year	759,547	759,547	-
Budget basis, end of year	\$ 787,266	\$ 839,508	\$ 52,242

See accompanying independent auditors' report

Statistical Section

**City of
St. Peters**

CITY OF ST. PETERS, MISSOURI

Statistical Section

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

Contents

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Financial Trends

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

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Revenue Capacity

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

102 - 107

Debt Capacity

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

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Demographic and Economic Information

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

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Operating Information

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

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Sources: Unless otherwise noted, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

CITY OF ST. PETERS, MISSOURI

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 220,878,960	\$ 240,140,438	\$ 258,630,627	\$ 259,323,155	\$ 262,479,439	\$ 259,697,165	\$ 257,684,628	\$ 259,507,068	\$ 264,195,696	\$ 270,597,528
Restricted for capital projects	8,502,836	5,922,228	6,768,629	-	-	-	-	-	-	-
Restricted for debt service	8,897,412	6,100,691	7,209,265	4,331,436	4,648,531	4,012,669	4,040,752	3,363,434	1,878,130	2,440,733
Restricted for other purposes	-	-	-	12,934,040	11,327,525	14,321,977	15,062,285	15,904,747	16,306,001	14,085,867
Unrestricted	21,207,143	13,523,667	5,101,854	(6,982,701)	(7,896,119)	(4,396,314)	(2,053,870)	10,195,089	8,846,667	494,494
Total governmental activities net position	\$ 259,486,351	\$ 265,687,024	\$ 277,710,375	\$ 269,605,930	\$ 270,559,376	\$ 273,635,497	\$ 274,733,795	\$ 288,970,338	\$ 291,226,494	\$ 287,618,622
Business-type activities										
Net investment in capital assets	\$ 39,970,976	\$ 37,818,296	\$ 37,202,278	\$ 51,062,078	\$ 51,195,406	\$ 50,083,741	\$ 48,590,611	\$ 40,399,392	\$ 46,625,435	\$ 46,015,751
Restricted for capital projects	-	-	-	-	-	-	-	-	-	-
Restricted for debt service	7,233,632	3,759,580	4,041,857	3,058,197	787,071	854,833	852,012	1,907,719	2,053,499	2,062,809
Unrestricted	17,159,930	20,468,117	12,609,854	10,844,666	11,404,920	10,223,021	10,332,116	16,232,682	8,304,694	7,265,440
Total business-type activities net position	\$ 64,364,538	\$ 62,045,993	\$ 53,853,989	\$ 64,964,941	\$ 63,387,397	\$ 61,161,595	\$ 59,774,739	\$ 58,539,793	\$ 56,983,628	\$ 55,344,000
Primary government										
Net investment in capital assets	\$ 260,849,936	\$ 277,958,734	\$ 295,832,905	\$ 310,385,233	\$ 313,674,845	\$ 309,780,906	\$ 306,275,239	\$ 299,906,460	\$ 310,821,131	\$ 316,613,279
Restricted for capital projects	8,502,836	5,922,228	6,768,629	-	-	-	-	-	-	-
Restricted for debt service	16,131,044	9,860,271	11,251,122	7,389,633	5,435,602	4,867,502	4,892,764	5,271,153	3,931,629	4,503,542
Restricted for other purposes	-	-	-	12,934,040	11,327,525	14,321,977	15,062,285	15,904,747	16,306,001	14,085,867
Unrestricted	38,367,073	33,991,784	17,711,708	3,861,965	3,508,801	5,826,707	8,278,246	26,427,771	17,151,361	7,759,934
Total primary government net position	\$ 323,850,889	\$ 327,733,017	\$ 331,564,364	\$ 334,570,871	\$ 333,946,773	\$ 334,797,092	\$ 334,508,534	\$ 347,510,131	\$ 348,210,122	\$ 342,962,622

Source: Basic financial statements

See accompanying independent auditors' report

TABLE 2

CITY OF ST. PETERS, MISSOURI

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 10,605,639	\$ 4,936,885	\$ 3,988,945	\$ 6,412,147	\$ 7,279,425	\$ 6,698,790	\$ 8,086,574	\$ 7,815,960	\$ 4,523,861	\$ 2,879,310
Administration	4,439,076	4,413,440	4,465,717	4,642,420	4,116,344	4,199,160	4,566,965	4,312,392	4,770,710	5,376,043
Police	10,358,838	10,758,075	11,487,848	12,883,901	12,828,392	12,986,440	13,217,760	12,728,527	14,710,038	15,851,135
Municipal court	417,285	443,602	469,464	451,384	420,486	436,179	463,094	417,289	457,861	584,940
Public works	10,321,657	11,894,996	9,721,254	22,109,038	14,559,364	15,085,756	18,345,680	15,574,017	16,658,928	17,983,390
Engineering	2,630,888	2,552,615	2,571,574	2,572,899	2,243,654	2,269,573	2,274,286	2,240,612	2,399,379	2,319,287
Maintenance	727,250	749,630	788,172	465,034	254,551	331,483	391,037	379,588	490,325	756,625
Health	709,702	602,498	615,783	731,504	764,863	755,145	806,137	807,978	881,765	1,818,390
Parks and Recreation	5,279,526	5,507,748	5,893,725	6,092,722	6,011,172	6,338,658	6,609,149	6,606,600	6,499,501	6,273,040
Community Relations	962,461	1,009,804	1,007,998	983,171	1,010,835	996,207	969,256	990,599	1,068,164	1,182,243
Community & Arts	277,631	280,512	290,368	243,961	265,196	263,590	265,679	259,914	240,416	265,313
Community Development	-	-	963,000	-	-	-	-	-	-	-
Interest on long term debt	2,258,848	3,536,569	3,484,084	3,321,526	3,333,056	3,247,811	2,536,740	3,886,941	3,153,241	3,207,959
Total governmental activities expenses	48,988,801	46,686,374	45,747,932	60,909,707	53,087,338	53,608,792	58,532,357	56,020,417	55,854,189	58,497,675
Business-type activities:										
Waterworks/Sanitary Sewer	9,857,448	9,625,487	11,297,498	12,069,159	12,263,810	12,231,505	12,098,460	12,546,331	12,776,435	13,035,260
Solid Waste	4,182,408	4,399,270	7,126,274	5,203,218	5,070,099	5,141,961	6,073,236	5,310,401	5,745,911	6,404,546
Public improvement corporation	608,613	529,810	503,638	157,303	-	-	-	-	-	-
Central Materials Processing Facility	3,411,717	3,677,814	3,932,005	3,622,194	3,797,178	3,754,701	3,933,581	4,093,146	4,257,057	4,585,327
Recreation	6,453,216	7,038,214	7,884,369	8,121,280	8,387,854	8,012,989	8,484,246	8,669,871	8,925,693	10,070,155
Total business-type activities expenses	24,513,402	25,270,595	30,743,784	29,173,154	29,518,941	29,141,156	30,589,523	30,619,749	31,705,096	34,095,288
Total primary government expenses	\$ 73,502,203	\$ 71,956,969	\$ 76,491,716	\$ 90,082,861	\$ 82,606,279	\$ 82,749,948	\$ 89,121,880	\$ 86,640,166	\$ 87,559,285	\$ 92,592,963
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,709,498	\$ 908,725	\$ 1,181,701	\$ 1,052,200	\$ 1,156,407	\$ 1,436,786	\$ 1,764,671	\$ 1,669,806	\$ 1,643,744	\$ 2,028,315
Police	2,562,532	2,930,923	2,778,995	2,817,623	2,664,576	2,642,981	2,076,717	2,037,068	1,815,473	1,462,882
Public works	540,181	544,287	522,200	527,210	541,192	776,759	789,557	785,074	791,291	818,198
Health	22,425	21,314	20,182	18,477	14,923	17,244	16,882	16,035	13,999	16,070
Parks and recreation	25,851	25,585	8,640	9,113	9,715	8,433	9,234	8,908	21,892	17,691
Community relations	72,887	-	-	-	-	-	-	-	-	-
Community & Arts	177,196	172,413	176,380	208,539	255,755	254,325	240,879	290,812	254,343	255,037
Operating grants and contributions	3,496,262	4,024,801	3,597,950	3,680,124	3,450,856	3,631,928	3,763,445	3,954,906	3,821,642	3,899,458
Capital grants and contributions	4,000,088	6,557,930	10,759,472	15,176,082	8,227,484	2,919,675	5,207,464	8,038,757	4,924,161	4,488,078
Total governmental activities program revenues	12,606,920	15,185,978	19,045,520	23,489,368	16,320,908	11,688,131	13,868,849	16,801,366	13,286,545	12,985,729
Business-type activities:										
Charges for services:										
Waterworks/Sanitary sewer	9,370,782	8,649,448	9,675,873	10,420,961	11,248,180	10,888,293	11,892,010	10,978,093	11,408,181	12,564,177
Solid waste	4,622,677	3,374,042	3,540,501	3,693,198	3,891,333	4,146,914	4,940,437	5,813,449	5,958,007	6,112,749
Public improvement corporation	819,785	849,680	555,071	-	-	-	-	-	-	-
Central materials processing facility	3,703,035	3,326,266	3,394,464	3,444,502	3,391,388	3,492,866	3,593,729	3,846,377	4,297,226	4,877,861
Recreation	4,608,748	5,147,064	5,896,515	6,092,237	6,384,230	6,356,701	6,385,330	6,803,164	6,677,948	7,138,434
Capital grants and contributions	137,719	719,510	588,320	3,659,979	1,547,224	614,710	95,307	203,588	111,679	74,590
Total business-type activities program revenues	23,262,746	22,066,010	23,650,744	27,310,877	26,462,355	25,499,484	26,906,813	27,644,671	28,453,041	30,767,811
Total primary government program revenues	\$ 35,869,666	\$ 37,251,988	\$ 42,696,264	\$ 50,800,245	\$ 42,783,263	\$ 37,187,615	\$ 40,775,662	\$ 44,446,037	\$ 41,739,586	\$ 43,753,540

Source: Basic financial statements.

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental activities	\$ (36,381,881)	\$ (31,500,396)	\$ (26,702,412)	\$ (37,420,339)	\$ (36,766,430)	\$ (41,920,661)	\$ (44,663,508)	\$ (39,219,051)	\$ (42,567,644)	\$ (45,511,946)
Business-type activities	(1,250,656)	(3,204,585)	(7,093,040)	(1,862,277)	(3,056,586)	(3,641,672)	(3,682,710)	(2,975,078)	(3,252,055)	(3,327,477)
Total primary government net expense	\$ (37,632,537)	\$ (34,704,981)	\$ (33,795,452)	\$ (39,282,616)	\$ (39,823,016)	\$ (45,562,333)	\$ (48,346,218)	\$ (42,194,129)	\$ (45,819,699)	\$ (48,839,423)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	\$ 6,152,614	\$ 6,392,363	\$ 5,993,141	\$ 6,705,073	\$ 6,484,144	\$ 6,983,760	\$ 7,062,295	\$ 7,360,015	\$ 7,388,343	\$ 7,545,403
Property taxes levied for debt service	2,633,533	2,636,371	2,495,335	2,137,731	2,086,067	1,854,973	1,524,502	1,553,343	1,837,236	1,883,263
Property taxes levied for tax increment financing districts	3,154,963	3,455,420	3,747,632	3,821,189	3,499,837	3,947,675	3,974,877	4,205,844	864,869	1,071,657
Sales taxes levied for general purposes	11,566,809	11,088,916	11,106,737	11,777,602	12,266,784	12,600,822	13,087,001	13,711,848	14,539,609	14,279,883
Sales taxes levied for transportation purposes	5,783,416	5,544,419	5,553,379	5,888,803	6,133,393	6,300,411	6,543,499	6,855,926	7,269,803	7,139,943
Sales taxes levied for park and storm water purposes	1,142,294	1,094,341	1,096,321	1,164,594	1,213,515	4,420,066	6,487,198	6,784,761	7,203,975	7,078,266
Sales taxes levied for tax increment financing districts	2,793,140	3,625,574	3,278,082	2,869,664	2,966,675	4,127,716	4,499,798	6,340,070	1,671,728	960,354
Tourism	-	-	-	-	32,224	121,487	123,374	125,329	154,073	183,112
Franchise and public service taxes	3,415,948	3,457,259	3,603,717	4,188,158	4,069,136	4,390,460	4,576,446	4,741,751	4,561,196	4,583,542
Earnings on investments	1,488,010	286,808	110,734	55,642	22,164	35,882	70,805	26,613	61,316	69,422
Other revenue	514,882	912,057	553,445	3,571,682	398,845	538,000	918,616	498,732	948,759	1,502,266
Gain on sale of capital assets	-	17,541	20,981	69,326	-	103,457	65,068	-	12,331	124,933
Transfers	(10,924,454)	(810,000)	1,166,259	(12,933,570)	(1,452,908)	(427,927)	(2,801,711)	(971,668)	(1,689,438)	(2,494,607)
Total governmental activities	27,721,155	37,701,069	38,725,763	29,315,894	37,719,876	44,996,782	46,131,768	51,232,564	44,823,800	43,927,437
Business-type activities:										
Earnings on investments	763,109	134,044	35,355	35,074	12,824	1,188	3,298	1,085	6,452	14,739
Other revenue	-	-	-	-	-	907,278	-	-	-	-
Gain (loss) on sale of capital assets	355,034	5,964	31,940	(28,696)	13,310	79,477	5,501	-	-	-
Transfers	10,924,454	810,000	(1,166,259)	6,063,303	1,452,908	427,927	2,801,711	971,668	1,689,438	2,494,607
Total business-type activities	12,042,597	950,008	(1,098,964)	6,069,681	1,479,042	1,415,870	2,810,510	972,753	1,695,890	2,509,346
Total primary government	\$ 2,131,215	\$ 3,946,096	\$ 3,831,347	\$ (3,897,041)	\$ (624,098)	\$ 850,319	\$ 596,060	\$ 10,011,188	\$ 699,991	\$ (2,402,640)
Change in Net Position										
Governmental activities	\$ (8,660,726)	\$ 6,200,673	\$ 12,023,351	\$ (8,104,445)	\$ 953,446	\$ 3,076,121	\$ 1,468,260	\$ 12,013,513	\$ 2,256,156	\$ (1,584,509)
Business-type activities	10,791,941	(2,254,577)	(8,192,004)	4,207,404	(1,577,544)	(2,225,802)	(872,200)	(2,002,325)	(1,556,165)	(818,131)
Total primary government	\$ 2,131,215	\$ 3,946,096	\$ 3,831,347	\$ (3,897,041)	\$ (624,098)	\$ 850,319	\$ 596,060	\$ 10,011,188	\$ 699,991	\$ (2,402,640)

Note: Prior period adjustments are related to - fiscal year 2014 the City implemented GASB 65, fiscal year 2015 the City implemented GASB 68 and 71, fiscal year 2017 the City implemented GASB 74 and 75.

Source: Basic financial statements.

See accompanying independent auditors' report

TABLE 3

CITY OF ST. PETERS, MISSOURI

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved for encumbrances	\$ 733,673	\$ 1,724,906	\$ 754,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved for capital improvements	2,100,000	620,259	379,110	-	-	-	-	-	-	-
Reserved for debt service	-	-	545,582	-	-	-	-	-	-	-
Reserved for storm water management	163,783	183,839	187,529	-	-	-	-	-	-	-
Reserved for inventory/prepaid	799,721	846,257	828,933	-	-	-	-	-	-	-
Reserved for other projects	479,904	2,160,448	389,628	-	-	-	-	-	-	-
Unreserved	12,480,457	7,737,594	3,442,769	-	-	-	-	-	-	-
Nonspendable	-	-	-	914,407	949,553	877,270	999,339	910,729	935,313	916,840
Restricted for:										
Debt service	-	-	-	545,587	545,587	87,005	87,004	87,004	87,005	87,108
Police services	-	-	-	227,169	226,656	230,348	380,048	325,280	315,869	282,576
Tourism	-	-	-	-	32,224	-	-	-	-	-
Committed:										
Contingency Reserve	-	-	-	-	-	-	2,500,000	3,000,000	3,500,000	4,000,000
Assigned for:										
Encumbrances	-	-	-	384,335	404,714	334,787	436,714	339,410	-	-
Administration	-	-	-	-	-	-	-	-	303,307	190,334
Maintenance	-	-	-	-	-	-	-	-	76,859	-
Police	-	-	-	-	-	-	-	-	-	195,071
Other	-	-	-	-	-	-	-	-	145,270	240,840
Subsequent year budget	-	-	-	1,597,435	952,890	398,775	479,140	289,130	1,381,215	1,414,110
Capital projects	-	-	-	541,388	499,663	564,291	660,236	610,547	2,078,150	1,983,530
Unassigned	-	-	-	683,136	1,111,573	5,014,095	3,799,230	5,655,168	4,745,852	6,371,794
Total General Fund	\$ 16,757,538	\$ 13,273,303	\$ 6,527,717	\$ 4,893,457	\$ 4,722,860	\$ 7,506,571	\$ 9,341,711	\$ 11,217,268	\$ 13,568,840	\$ 15,682,203

Notes: GASB 54 was implemented in fiscal year 2011.

Source: Basic financial statements.

See accompanying independent auditors' report

TABLE 3

CITY OF ST. PETERS, MISSOURI

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
All Other Governmental Funds										
Reserved for encumbrances	\$ 7,938,066	\$ 4,109,188	\$ 8,490,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved for capital improvements	4,980,000	-	-	-	-	-	-	-	-	-
Reserved for debt service	5,349,325	4,424,325	5,705,895	-	-	-	-	-	-	-
Reserved for inventory/prepaid	3,300	38,036	3,800	-	-	-	-	-	-	-
Reserved for long-term receivables	806,132	700,569	695,926	-	-	-	-	-	-	-
Reserved for other projects	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in										
Special revenue funds	9,311,290	10,894,991	4,437,401	-	-	-	-	-	-	-
Debt service funds	3,458,563	3,669,646	3,197,773	-	-	-	-	-	-	-
Capital projects funds	20,915,453	16,635,365	10,209,589	-	-	-	-	-	-	-
Nonspendable	-	-	-	3,800	19,200	26,445	49,302	10,243	50,214	24,455
Restricted for:										
Transportation	-	-	-	7,015,173	6,125,178	6,843,476	7,000,039	5,735,624	6,705,990	6,379,032
Capital projects	-	-	-	2,028,013	225,942	-	-	-	-	-
Sewer lateral projects	-	-	-	1,285,630	1,092,775	999,105	753,912	629,753	772,501	970,234
Water line repair projects	-	-	-	-	-	137,581	189,006	190,541	192,280	185,086
Special allocation projects	-	-	-	2,050,275	1,695,473	3,390,546	3,658,366	6,458,038	6,489,385	6,262,078
Grants	-	-	-	857,750	795,955	795,838	820,958	758,502	764,961	746,158
Debt service	-	-	-	4,037,106	4,278,422	4,071,799	4,056,946	3,218,950	1,857,416	2,497,777
Local parks and stormwater	-	-	-	1,818,695	1,856,340	3,193,945	3,723,505	4,922,849	4,919,396	4,080,144
Stormwater projects	-	-	-	-	-	3,470,173	9,904,668	-	7,818,515	4,839,221
Park and recreation facility improvement:	-	-	-	-	-	-	-	-	-	11,100,134
Assigned for capital projects	-	-	-	1,135,470	954,362	639,110	892,285	5,975,047	2,768,096	-
Total all other governmental funds	\$ 52,762,129	\$ 40,472,120	\$ 32,741,380	\$ 20,231,912	\$ 17,043,647	\$ 23,568,018	\$ 31,048,987	\$ 27,899,547	\$ 32,338,754	\$ 37,084,319

Notes: GASB 54 was implemented in fiscal year 2011.

Source: Basic financial statements.

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Sales tax (1)	\$ 21,285,659	\$ 20,655,597	\$ 20,719,476	\$ 21,700,665	\$ 22,580,369	\$ 27,449,016	\$ 30,617,497	\$ 33,692,605	\$ 30,685,115	\$ 29,458,446
Property tax (2)	11,783,275	12,606,100	12,217,710	12,698,014	11,874,878	12,780,606	12,582,607	13,176,609	10,015,474	10,720,099
Utility franchise tax	3,415,948	3,457,259	3,603,717	3,972,708	3,864,326	4,201,312	4,394,595	4,553,149	4,377,977	4,411,511
Cigarette tax	254,592	230,091	223,484	215,450	204,810	189,148	181,852	188,601	183,218	172,031
Licenses and permits	1,526,797	826,625	1,092,659	948,635	1,042,314	1,241,499	1,534,587	1,443,080	1,396,294	1,771,852
Interest	1,488,010	286,808	110,734	55,643	22,163	35,883	70,803	26,613	61,316	69,420
Intergovernmental	6,155,149	7,647,291	9,978,781	11,669,898	6,423,040	4,990,943	4,536,347	10,361,168	8,300,333	6,918,033
Fines and forfeitures	2,298,424	2,618,034	2,521,997	2,551,634	2,391,164	2,366,601	1,802,296	1,799,379	1,569,621	1,228,711
Charges for services	1,176,669	1,174,004	1,080,991	1,134,782	1,213,843	1,454,093	1,471,238	1,485,716	1,490,223	1,510,874
Miscellaneous	451,120	773,329	367,352	3,834,808	530,021	815,047	1,156,036	732,240	1,236,775	1,793,615
Total revenues	49,835,643	50,275,138	51,916,901	58,782,237	50,146,928	55,524,148	58,347,858	67,459,160	59,316,346	58,054,592
Expenditures										
General government	11,156,412	2,953,949	2,929,663	6,109,343	6,197,000	6,374,897	7,763,595	7,445,684	4,229,713	2,596,145
Administration	4,026,933	3,964,072	4,025,538	4,020,331	3,555,977	3,724,140	4,124,185	4,155,519	4,296,847	4,147,760
Police	9,924,110	10,309,193	10,756,677	11,062,800	11,144,650	11,658,421	11,963,592	12,379,373	12,527,568	12,933,986
Municipal court	413,865	439,981	463,630	425,757	393,393	414,265	443,018	431,073	430,355	483,962
Public works	8,074,152	8,319,193	7,879,484	8,685,647	7,083,746	7,051,909	8,571,245	9,101,062	8,832,730	9,859,595
Engineering	2,599,668	2,501,915	2,509,843	2,354,444	2,029,515	2,082,349	2,092,877	2,181,945	2,172,923	1,903,059
Maintenance	710,878	729,093	771,310	411,365	191,244	284,120	346,799	386,533	400,847	463,594
Health	681,640	588,106	586,799	517,257	552,634	556,075	618,089	654,199	678,597	1,497,010
Parks and recreation	4,577,817	4,796,454	4,965,617	4,961,281	4,894,888	5,284,614	5,618,086	5,780,053	5,494,111	4,571,489
Communications	889,931	945,554	925,874	822,657	846,632	854,999	823,337	920,607	957,504	988,676
Community & arts	198,067	200,287	212,144	161,354	182,730	185,330	184,880	213,475	187,796	199,438
Community development	-	-	963,000	-	-	-	-	-	-	-
Capital outlay	15,656,104	27,579,699	28,937,644	23,635,682	9,429,095	6,351,740	9,407,725	16,719,113	13,392,712	18,122,507
Debt service										
Principal retirement	2,644,000	4,720,000	7,595,000	6,730,000	3,235,000	3,596,000	4,103,000	5,336,000	4,103,700	2,710,000
Interest and arbitrage rebate	2,166,782	3,284,645	3,147,203	3,323,236	2,922,142	2,283,799	2,149,680	2,145,779	1,519,616	2,005,333
Payment to escrow agent	-	-	141,255	197,604	-	-	-	363,273	844,113	-
Other	59,837	60,693	174,914	209,418	56,433	103,864	136,911	172,923	426,813	210,856
Total expenditures	63,780,196	71,392,834	76,985,595	73,628,176	52,715,079	50,806,522	58,347,019	68,386,611	60,495,945	62,693,410
Excess of revenues over (under) expenditures	(13,944,553)	(21,117,696)	(25,068,694)	(14,845,939)	(2,568,151)	4,717,626	839	(927,451)	(1,179,599)	(4,638,818)
Other Financing Sources (Uses)										
Transfers in	7,212,077	7,964,523	7,756,444	2,711,733	504,624	2,105,049	1,193,681	2,018,039	2,397,460	2,151,371
Transfers out	(18,136,531)	(8,774,523)	(9,455,886)	(8,775,036)	(1,504,624)	(2,014,939)	(1,967,055)	(2,693,368)	(2,951,533)	(3,084,483)
Proceeds from sale of capital assets	25,013,532	3,452	34,357	140,360	24,289	185,659	89,428	201,607	127,700	153,365
Issuance of debt	29,630,000	6,150,000	14,898,000	11,720,000	185,000	5,885,000	9,675,000	7,050,000	8,000,000	12,000,000
Payments to escrow agent	-	-	(168,207)	(5,094,651)	-	(1,700,000)	-	(7,141,596)	(16,517,710)	-
Refunding bonds	-	-	-	-	-	-	-	-	16,170,000	-
Bond premium	-	-	-	8,990	-	129,687	324,216	218,886	744,461	277,493
Bond discount	(189,771)	-	(2,472,340)	(9,185)	-	-	-	-	-	-
Total other financing sources (uses)	43,529,307	5,343,452	10,592,368	702,211	(790,711)	4,590,456	9,315,270	(346,432)	7,970,378	11,497,746
Net change in fund balances	\$ 29,584,754	\$ (15,774,244)	\$ (14,476,326)	\$ (14,143,728)	\$ (3,358,862)	\$ 9,308,082	\$ 9,316,109	\$ (1,273,883)	\$ 6,790,779	\$ 6,858,928
Total expenditures	63,780,196	71,392,834	76,985,595	73,628,176	52,715,079	50,806,522	58,347,019	68,386,611	60,495,945	62,693,410
Debt service	4,810,782	8,004,645	10,883,458	10,250,840	6,157,142	5,879,799	6,252,680	7,845,052	6,467,429	4,715,333
Capital outlay	(15,656,104)	(27,579,699)	(28,937,644)	(23,635,682)	(9,429,095)	(6,351,740)	(9,407,725)	(16,719,113)	(13,392,712)	(18,122,507)
Capital expenditures from functional categories	(4,189,580)	(2,908,965)	(5,098,067)	5,707,407	(314,903)	(291,335)	1,504,969	(1,645,268)	(992,539)	(1,364,364)
Debt service as a percentage of noncapital expenditures	10.9%	19.6%	25.3%	18.4%	14.3%	13.3%	12.4%	15.7%	14.0%	10.9%

(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.

See accompanying independent auditors' report

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
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%
2015	587,132,555	271,697,850	494,761	164,926,725	1,024,251,891	4,438,130,307	0.7700	23.08%
2016	631,588,834	276,863,553	480,269	171,476,471	1,080,409,127	4,707,782,016	0.7700	22.95%
2017	647,158,474	321,283,843	471,021	181,051,430	1,149,964,768	4,957,188,706	0.7700	23.20%

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.

See accompanying independent auditors' report

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			
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
2015	0.6282	0.1418	0.7700	4.8438	5.5820	5.1930	0.2041	0.2196	1.5852
2016	0.6095	0.1605	0.7700	4.7446	5.5227	5.0203	0.1962	0.2140	1.5659
2017	0.6095	0.1605	0.7700	5.2465	5.5201	5.0185	0.1962	0.2240	1.5722

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

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2017			2008		
	Assessed Value	Rank	Percentage of Total Assessed Valuation(1)	Assessed Value	Rank	Percentage of Total Assessed Valuation(2)
Mid Rivers Mall LLC	\$ 19,158,219	1	1.67%	\$ 20,194,636	1	1.87%
Airwick Industries, Inc.	14,502,008	2	1.26%	9,034,239	2	0.84%
Turnberry Apartments LLC	5,801,920	3	0.50%	5,957,260	3	0.55%
Menards	5,053,204	4	0.44%	-	-	-
SSM Properties, Inc.	4,124,016	5	0.36%	3,851,140	6	0.36%
Walmart Real Estate Business Trust	3,888,454	6	0.34%	-	-	0.00%
Costco Wholesale Corp	3,697,707	7	0.32%	-	-	0.00%
Grewe Limited Partnership	3,564,395	8	0.31%	3,136,580	10	0.29%
79 Crossing LLC	3,157,000	9	0.27%	4,188,517	5	0.39%
HCP Senior Housing Properties Trust	2,997,393	10	0.26%	-	-	-
Westfield America of MO Inc.	-	-	-	4,379,086	4	0.41%
Jungs Station Association	-	-	-	3,538,560	7	0.33%
KRVC Corporation	-	-	-	3,493,630	8	0.32%
94 Crossing LLC	-	-	-	3,479,960	9	0.32%

Notes:

(1) Based on calendar year 2016 assessed valuation equal to \$1,149,964,768

(2) Based on calendar year 2007 assessed valuation equal to \$1,080,803,171

Note: The table excludes properties located in tax increment financing areas.

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
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%	152	8,064	99.88%
2011	8,099	7,937	98.00%	155	8,092	99.91%
2012	7,955	7,690	96.67%	257	7,947	99.90%
2013	7,982	7,822	98.00%	149	7,971	99.86%
2014	7,851	7,645	97.38%	195	7,840	99.86%
2015	8,013	7,914	98.76%	89	8,003	99.88%
2016	8,748	8,534	97.55%	198	8,732	99.82%
2017	8,960	8,952	99.91%	-	8,952	99.91%

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**

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sales Tax Collected For General Purposes	\$ 11,566,809	\$ 11,088,916	\$ 11,106,737	\$ 11,777,602	\$ 12,266,784	\$ 12,600,822	\$ 13,087,001	\$ 13,711,848	\$ 14,359,609	\$ 14,279,883
Sales Tax Collected For Transportation Purposes	5,783,416	5,544,419	5,553,379	5,888,805	6,133,395	6,300,412	6,543,500	6,855,926	7,269,803	7,139,943
Sales Tax Collected For Park and Storm Water Purposes	1,142,294	1,094,341	1,096,321	1,164,594	1,213,515	4,420,066	6,487,198	6,784,761	7,203,975	7,078,266
Total Direct Sales Tax Collected	18,492,519	17,727,676	17,756,437	18,831,001	19,613,694	23,321,300	26,117,699	27,352,535	28,833,387	28,498,092
City direct sales tax rate	1.60%	1.60%	1.60%	1.60%	1.60%	2.00%	2.00%	2.00%	2.00%	2.00%
Sales Tax Collected For Tax Increment Financing - City Centre	2,481,415	2,630,751	2,676,608	2,561,893	2,661,219	3,267,374	3,585,002	5,313,882	533,655	-
Sales Tax Collected For Tax Increment Financing - Old Town	305,890	293,800	352,787	307,763	305,410	860,268	914,687	1,026,073	1,137,935	960,227
Sales Tax Collected For Tax Increment Financing - Lakeside 370	5,835	3,370	79	8	46	74	109	115	138	127
Total Tax Collected for Tax Increment Financing	2,793,140	2,927,921	3,029,474	2,869,664	2,966,675	4,127,716	4,499,798	6,340,070	1,671,728	960,354
Total Sales Tax Collected	\$ 21,285,659	\$ 20,655,597	\$ 20,785,911	\$ 21,700,665	\$ 22,580,369	\$ 27,449,016	\$ 30,617,497	\$ 33,692,605	\$ 30,505,115	\$ 29,458,446

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
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%
2015	2.00%	1.50%	0.10%	0.125%	4.225%	7.950%
2016	2.00%	1.50%	0.10%	0.125%	4.225%	7.950%
2017	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		
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
2015	42,798,022	6,700	1,642,000	13,305,000	9,241,737	42,580,492	15,852,670	-	125,426,621	2,386
2016	50,079,414	-	-	13,305,000	8,425,808	32,297,634	15,097,285	-	119,205,141	2,267
2017	60,387,790	-	-	13,305,000	7,584,879	31,176,531	14,316,900	-	126,771,100	2,411

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.
- (4) As of 2015, values are adjusted for bond premiums and discounts

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)
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
2015	42,804,722	889,256	41,915,466	0.77%	797.25
2016	50,079,414	1,059,232	49,020,182	0.77%	932.39
2017	60,387,790	1,699,086	58,688,704	0.77%	1,116.29

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, 2017**

Jurisdiction	Debt Outstanding	Percentage Applicable to St. Peters	Share of Debt Applicable to St. Peters
Debt repaid with property taxes:			
St. Charles County*	\$ 3,113,000	13.94%	\$ 433,952
St. Charles County Ambulance District	3,400,000	13.94%	473,960
Central County Fire and Rescue	18,075,000	66.20%	11,965,650
St. Charles County Community College	22,935,000	14.02%	3,215,487
St. Charles School District R-VI	59,810,000	6.71%	4,013,251
Fort Zumwalt School District R-II	137,356,242	25.15%	34,545,095
Francis Howell School District	131,603,000	19.67%	25,886,310
Other Debt:			
St. Charles County	50,085,000	13.94%	6,981,849
St. Charles County Community College	5,015,000	14.02%	703,103
St. Charles School District R-VI	4,247,408	6.71%	285,001
Subtotal Overlapping Debt	<u>\$ 435,639,650</u>		<u>\$ 88,503,658</u>
City's direct debt			<u>80,650,000</u>
Total direct and overlapping debt			<u><u>\$ 169,153,658</u></u>

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

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

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

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	City Purposes Basic Limit	Streets And Sewer Additional Limit
Assessed Valuation	<u>\$ 1,149,964,768</u>	<u>\$1,149,964,768</u>
Debt Limit - 10% off assessed valuation	<u>114,996,477</u>	<u>114,996,477</u>
Amount of debt applicable to debt limit		
Total general obligation debt	58,925,000	-
Less: Amount available in debt service fund	<u>(1,699,086)</u>	-
Net bond indebtedness applicable to debt limit	<u>57,225,914</u>	-
Legal debt margin	<u>\$ 57,770,563</u>	<u>\$ 114,996,477</u>

City Purposes Basic Limit	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 108,080,317	\$ 110,303,293	\$ 104,596,961	\$ 101,458,894	\$ 101,458,894	\$ 103,806,563	\$ 100,815,012	\$ 102,425,189	\$ 108,040,913	\$ 114,966,477
Total net debt applicable to limit	<u>40,891,137</u>	<u>38,135,054</u>	<u>31,561,927</u>	<u>32,949,221</u>	<u>32,061,822</u>	<u>34,691,554</u>	<u>43,033,272</u>	<u>41,362,444</u>	<u>47,725,768</u>	<u>57,225,914</u>
Legal Debt Margin	<u>\$ 67,189,180</u>	<u>\$ 72,168,239</u>	<u>\$ 73,035,034</u>	<u>\$ 68,509,673</u>	<u>\$ 69,397,072</u>	<u>\$ 69,115,009</u>	<u>\$ 57,781,740</u>	<u>\$ 61,062,745</u>	<u>\$ 60,315,145</u>	<u>\$ 57,740,563</u>
Total net debt applicable to the limit as a % of debt limit	<u>37.83%</u>	<u>34.57%</u>	<u>30.17%</u>	<u>32.48%</u>	<u>31.60%</u>	<u>33.42%</u>	<u>42.69%</u>	<u>40.38%</u>	<u>44.17%</u>	<u>49.78%</u>

Street and Sewer Additional Limit	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 108,080,317	\$ 110,303,293	\$ 104,596,961	\$ 104,501,701	\$ 101,458,894	\$ 103,806,563	\$ 100,815,012	\$ 102,425,189	\$ 108,040,913	\$ 114,966,477
Total net debt applicable to limit	<u>-</u>									
Legal Debt Margin	<u>\$ 108,080,317</u>	<u>\$ 110,303,293</u>	<u>\$ 104,596,961</u>	<u>\$ 104,501,701</u>	<u>\$ 101,458,894</u>	<u>\$ 103,806,563</u>	<u>\$ 100,815,012</u>	<u>\$ 102,425,189</u>	<u>\$ 108,040,913</u>	<u>\$ 114,966,477</u>
Total net debt applicable to the limit as a % of debt limit	<u>0.00%</u>									

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

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

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

Fiscal Year	Water Revenue Bonds						Special Assessment Bonds			
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
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	6,976	6,000	738	1.04
2015	10,978,093	(8,348,266)	2,629,827	1,930,000	197,589	1.24	6,975	6,000	456	1.08
2016	11,408,181	(8,744,034)	2,664,147	1,985,000	360,480	1.14	6,975	6,700	157	1.02
2017	12,564,177	(8,946,974)	3,617,203	2,035,000	456,995	1.45	-	-	-	-

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
2008	52,000	41,906	4.20%
2009	52,000	41,494	7.90%
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	4.60%
2015	52,575	40,162	3.80%
2016	52,575	40,050	3.40%
2017	52,575	39,885	2.70%

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, 2017

	2017			2008		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Barnes St. Peters Hospital	970	1	2.8%	612	2	1.8%
Fort Zumwalt School District R-11	709	2	2.1%	812	1	2.3%
Wal-mart Stores Inc.	605	3	1.8%	176	9	0.5%
City of St. Peters	560	4	1.6%	515	3	1.5%
Dierbergs Markets	353	5	1.0%	-	-	-
Boone Center Inc.	350	6	1.0%	-	-	-
Francis Howell School District R-III	347	7	1.0%	375	5	1.1%
St, Charles Ambulance District	290	8	0.8%	-	-	-
RB Manufacturing (formerly Reckett & Benchkiser)	285	9	0.8%	510	4	1.5%
Schnucks Markets	256	10	0.7%	201	7	0.6%
Macys	-	-	-	235	6	0.7%
Boone Center Inc.	-	-	-	200	8	0.6%
United Services Inc	-	-	-	133	10	0.4%
	4,725		13.8%	3,769		10.9%

Note: Percentage of Total City Employment was based on the employed labor force of 34,194 for September 2017 and 34,672 for September 2008. 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.

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

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

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Function/Program</u>										
Governmental Activities:										
General Government	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90
Administration	44.30	47.30	47.30	46.30	46.79	46.79	47.79	48.79	50.15	52.15
Police	111.50	113.20	114.50	116.20	115.50	115.50	115.05	116.05	121.05	117.38
Municipal Court	5.40	5.40	5.40	5.40	6.44	6.44	6.44	6.44	6.44	6.44
Public Works	40.20	40.20	41.00	41.50	32.88	40.38	41.58	44.88	47.88	35.30
Engineering	32.70	32.00	31.70	29.50	32.22	23.02	22.66	22.66	22.66	19.66
Maintenance	9.60	9.60	9.60	9.10	9.20	8.86	8.86	9.20	9.20	24.43
Health	8.90	8.15	8.15	8.30	8.88	8.58	8.13	8.13	8.41	8.41
Parks and Recreation	65.20	66.20	66.10	70.00	69.68	70.40	72.69	72.69	68.62	54.75
Communications	9.00	9.70	9.70	9.70	10.70	10.97	10.97	10.97	10.97	10.97
Community & Arts	2.40	2.40	2.40	2.40	2.44	2.44	2.44	3.88	3.88	3.88
Business-Type Activities:										
Waterworks/Sanitary Sewer	46.40	46.90	47.20	47.90	46.80	46.80	46.80	46.50	46.50	46.50
Solid Waste	26.60	26.85	27.20	27.50	26.05	26.55	26.55	27.55	28.55	28.67
Central Materials Processing Facility	25.20	25.45	25.50	25.10	24.61	24.61	26.41	29.93	26.93	26.22
Recreation	80.10	80.80	90.40	106.00	105.45	105.45	107.17	116.01	114.63	117.68
Total	515.40	522.05	534.05	552.80	545.54	544.69	551.44	571.58	573.77	560.34

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.

See accompanying independent auditors' report

TABLE 19

CITY OF ST. PETERS, MISSOURI

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

Functions/Program	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Administration										
Citizen Concerns Received	1,189	784	802	302	262	350	335	253	242	352
No. of Concerns Responses within 72 hours	98%	99%	99%	100%	100%	100%	100%	100%	100%	99%
Police										
Average number of physical arrests per month	291	264	285	260	274	189	209	225	191	181
Average number of calls for service per month	3,570	2,404	2,543	2,682	2,700	2,639	2,224	2,414	2,937	2,593
Citizen Concerns Received	316	256	230	307	296	217	269	346	349	350
No. of Concerns Responses with 72 hours	93%	96%	100%	100%	100%	99%	100%	100%	100%	100%
Municipal court										
Average Number of Court Sessions per year	32	32	32	34	35	34	34	34	36	36
No. of tickets processed	24,438	25,783	26,244	22,999	22,783	22,911	19,728	15,134	11,959	9,602
Public Works										
Slab Replacement (Square Yards)	38,732	21,439	123,765	39,917	5,460	5,200	23,937	63,325	40,318	26,333
Asphalt overlay (Square Yards)	88,645	93,230	101,966	87,529	97,733	104,399	83,650	173,904	86,038	132,000
Curb Replacement (Lineal Feet)	30,413	20,747	19,550	17,607	8,891	7,500	12,352	18,555	415	3,720
Crackseal (Lineal Feet)	25,357	82,697	105,347	75,000	90,744	131,250	104,762	-	129,444	129,444
Sidewalk (Square Feet)	15,130	12,910	13,420	13,125	3,671	7,755	9,000	14,270	21,997	17,245
Citizen Concerns Received	949	775	909	1,145	649	749	999	1,115	957	884
No. of Concerns Responses with 72 hours	98%	91%	94%	97%	99%	97%	97%	98%	98%	99%
Engineering										
New Commercial Construction Unit Permits Issued	24	8	11	7	19	11	13	15	12	25
Value of New Commercial Construction Units	\$ 38,550,900	\$ 11,630,703	\$ 13,238,381	\$ 7,200,340	\$ 23,038,108	\$ 15,211,039	\$ 17,543,967	\$ 37,933,869	\$ 47,714,602	\$ 90,524,202
New Residential Construction Unit Permits Issued	217	261	309	347	238	526	274	176	115	23
Value of New Residential Construction Units	\$ 24,780,106	\$ 29,580,527	\$ 33,073,423	\$ 33,762,198	\$ 33,809,533	\$ 70,304,798	\$ 90,142,303	\$ 47,800,120	\$ 30,399,329	\$ 5,954,189
Citizen Concerns Received	1042	910	1,034	1,103	1,007	1,203	990	1,172	1,127	895
No. of Concerns Responses with 72 hours	98%	98%	98%	98%	96%	97%	95%	96%	96%	97%
Health										
Citizen Concerns Received	173	186	188	132	129	203	168	175	163	87
No. of Concerns Responses with 72 hours	99%	100%	100%	100%	100%	99%	100%	100%	100%	100%
Animal Control										
Citizen Concerns Received	42	60	46	61	66	59	48	38	21	33
No. of Concerns Responses with 72 hours	100%	98%	100%	100%	100%	99%	94%	100%	100%	100%
Parks and Recreation										
REC-PLEX Annual Passes	2,619	2,784	3,201	3,335	3,413	3,324	3,671	4,003	4,322	4,932
Citizen Concerns Received	201	165	181	195	201	199	215	194	172	190
No. of Concerns Responses with 72 hours	100%	100%	100%	99%	100%	99%	100%	100%	100%	100%
Business-type activities:										
Waterworks/Sanitary Sewer										
Number of water service connections	17,458	17,790	17,803	17,994	18,233	18,534	18,821	18,972	19,069	19,145
Daily average water consumption in gallons	5,250,000	5,276,983	5,083,645	5,278,322	5,590,995	5,560,000	5,553,000	5,514,000	5,702,000	5,478,117
Number of sanitary sewer service connections	18,078	18,211	18,427	18,607	18,603	18,998	19,180	19,391	19,612	19,679
Daily average sanitary sewer treatment in gallons	6,990,000	7,600,000	5,490,918	5,290,000	4,970,000	5,370,000	5,220,000	5,895,000	5,915,000	5,557,000
Citizen Concerns Received	1,225	944	1,019	1,152	853	1,084	1,093	1,048	1,004	921
No. of Concerns Responses with 72 hours	100%	100%	100%	99%	100%	99%	99%	99%	99%	99%
Solid Waste										
Citizen Concerns Received	99	69	75	88	70	59	72	55	51	45
No. of Concerns Responses with 72 hours	100%	100%	100%	100%	100%	100%	99%	100%	100%	100%

Sources: Various city departments.

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

See accompanying independent auditors' report

TABLE 20

CITY OF ST. PETERS, MISSOURI

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

Functions/Program	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	230	230	243	297	297	297	297	297	303
Streetlights	2,483	2,652	2,652	3,103	3,235	3,215	3,268	3,295	3,295	3,384
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	21	21	21	21	21	21	21	21	21	21
Park acreage	1,190	1,286	1,286	1,284	1,284	1,284	1,284	1,284	1,284	1,287
Golf Courses	1	1	1	1	1	1	1	1	1	1
Outdoor swimming Pools	3	3	3	3	3	2	2	2	1	1
Tennis Courts	7	7	7	7	7	7	7	7	5	4
Miles of hiking/biking trails	10	14.1	14.6	21.5	22.4	22.6	22.6	22.6	22.6	24.0
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)	261	276	276	276	284.4	292.6	292.6	303.7	304.0	307.7
Fire hydrants	1,831	1,895	1,927	1,948	1,953	1,968	1,976	2,048	2,066	2,062
Wastewater										
Sanitary sewers (miles)	239	243	243	243	257	258	258	260	260	265
Storm Sewers (miles)	161	161	161	175	186	214	214	230	250	250
Treatment capacity (thousands of gallons)	6,900,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000
Solid Waste										
Customers - Residential	16,317	16,438	16,631	16,871	16,855	17,214	17,446	17,693	17,982	18,038
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.

See accompanying independent auditors' report

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