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**CITY OF DES PERES, MISSOURI  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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*Report prepared and submitted by the  
Department of Finance*

*Tracy E. Hansen, CPA  
Director of Finance*

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## **Introductory Section**

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**City of Des Peres  
Missouri**

April 19, 2013

The Honorable Mayor Richard Lahr,  
Members of the Board of Aldermen, and the  
Citizens of the City of Des Peres, Missouri

We hereby transmit the comprehensive annual financial report of the City of Des Peres, Missouri (City), as of December 31, 2012, and for the year then ended. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data 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, each major fund and the remaining fund information of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

## **PROFILE OF THE GOVERNMENT**

The City of Des Peres, incorporated in 1934, is located in St. Louis County, Missouri and is located approximately 7 miles to the west of the City of St. Louis. The City is a high-end residential community of approximately 3,150 single-family homes and an estimated population of 8,373. The City enjoys a high concentration of commercial development concentrated at the intersection of two major thoroughfares – Manchester Road (State Route 100) and Interstate 270.

Des Peres is a 4th Class City incorporated under Chapter 79 of the Revised Statutes of the State of Missouri and operates under the Mayor-Board of Aldermen-City Administrator form of government.

The Mayor is elected at large and serves a two-year term. He is presiding officer of the Board of Aldermen, may vote in the event of a tie and has veto power over legislation.

The legislative body of the City is the Board of Aldermen, which is comprised of 6 aldermen. Two aldermen are elected from each of the City's 3 wards and serve two-year terms. One alderman is elected by the Board to serve as Board President to act on the Mayor's behalf during his absence.

A City Administrator is appointed by the Board of Aldermen with the approval of the Mayor. 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 commissions composed of citizens appointed by the Mayor with the advice and consent of the Board of Aldermen. The advisory boards and commissions include the Audit & Finance Committee, Parks & Recreation Commission and Public Safety Commission. 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 and the Board of Adjustment. The City also appoints the members of the Manchester-Ballas Community Improvement District Board.

The City provides core municipal services other than public utilities which are provided in the region by private entities. The City provides police, fire and emergency medical services through our Department of Public Safety; Public Works is responsible for all solid waste collection, building and code enforcement, planning & zoning, streets and bridges and all City-sponsored construction projects; Parks & Recreation is responsible for maintenance of all public buildings, all parks and The Lodge; and General Government Services are provided through the Departments of Administration, Law & Courts and Finance. The City has approximately 100 full-time employees and a large contingent of part-time and seasonal employees working primarily in the area of Parks & Recreation.

Des Peres is a City known for its outstanding parks and recreation facilities and programs. The City has approximately ninety-six (96) acres of active recreational use provided in six (6) parks. The flagship of the park system is the 45 acre Des Peres Park which includes lighted tennis facilities, unlighted multi-purpose ball fields, a two-acre lake with a fishing dock, gazebo, 2 playgrounds, pavilion and other picnic facilities and is home to the Des Peres Government Center. The City, in partnership with the Missouri Department of Conservation, controls two (2) additional sites totaling twenty-three (23) acres under the Urban Wildacres Program for future use as preservation areas. In addition, the City has been recognized for twenty-nine (29) years by the Missouri Department of Conservation with its Tree City USA designation for its commitment to urban forestry.

Des Peres is home to *The Lodge Des Peres*, a 76,000 square foot community center at 1050 Des Peres Road which opened in 2003. The facility features a gymnasium with an elevated 1/8 mile track, a 6,000 square foot fitness center with cardio theater, steam room and sauna, large whirlpool, swim out slide and a zero depth indoor wave pool – the first located in the Midwest. The facility also offers to the community, high-end meeting and banquet rooms, a large lobby for community gathering and networking, and classrooms for recreational programming. The outdoor components opened Memorial Day 2004 and include a lazy river, two slides, cool spa and zero entry splash and wave pool. In addition, the outdoor facility features a spray garden for young and old alike. Community reaction to the facility has been overwhelmingly positive. Operations of The Lodge have consistently resulted in a cost recovery approaching 95% of operating costs through memberships and fees.

The annual budget serves as the foundation for the City of Des Peres' financial planning and control. The budget is prepared by fund and department, for all governmental funds of the City. 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 fund 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 resolution by the affirmative vote of a majority of the members of the Board of Aldermen and approval by the Mayor.

## **LOCAL ECONOMY**

The City enjoys a strong commercial tax base anchored by West County Mall, a 1.2 million square foot regional shopping center featuring four (4) anchor stores – Macy's, Nordstrom, JC Penney and Dick's Sporting Goods. The redevelopment of West County was completed in 2002 and was made possible through the creation of a Tax Increment Financing District (Manchester-Ballas Redevelopment Area) on January 1, 1997. The importance of this project to the overall economy of the St. Louis region cannot be overstated. The redevelopment of the shopping center, together with existing authority to levy local option sales taxes at a rate up to 2.5%, has well-positioned the City financially for years to come.

In December 2007, the City, in cooperation with the owners of West County Center, created a Community Improvement District involving a portion of the shopping center for purposes of acquisition of a vacant anchor store (Lord & Taylor) and its redevelopment into a restaurant village. The CID subsequently adopted a 1.0% sales tax to finance \$10.5 million in redevelopment costs.

In addition to the regional mall, the City is fortunate to enjoy a concentration of other commercial centers to provide additional local retail and service opportunities at other strip malls located within the community including Colonnade Center, Des Peres Commons, Des Peres Pointe, Des Peres Square, Olympic Oaks Village, Sam's, and Schnuck's Center.

This large concentration of retail space has enabled the City to provide a high level of municipal services with a low residential tax burden. Due to these factors, over the past 18 years, the City has been able to voluntarily roll back the property tax in the City to \$0.00 without cutting any City services.

Commercial office represents a large component of the local economy. Des Peres enjoys nearly 1.5 million square feet of office space within the City limits and an additional 1 million square feet immediately adjoining the City at Manchester Road and I-270. Des Peres is home to the corporate headquarters for Edward Jones, a large investment banking company. The corporate headquarters for Charter Communication immediately adjoins the City. AT&T has a strong presence in the community including three (3) major office complexes housing a customer service center, AT&T Wireless and SBC Publications. This strong office presence provides a synergy of activity that complements the retail and high-end residential needs of the City.

The St. Louis region continues to be a highly competitive retail market. The opening of the regions 2nd Nordstrom store in fall of 2011 is expected to erode sales at the Nordstrom location at West County Center. In response, the City anticipates the owners of West County Center will engage in additional marketing focused on West County Center. The City anticipates a new 75,000 square foot grocery store (Dierberg's) opened in late summer 2012.

## **LONG-TERM FINANCIAL PLANNING**

Unassigned fund balance in the general fund was 64.69 percent of total general fund revenues for 2012. Maintaining a reasonable fund reserve in all funds protects the City, the residents of Des Peres and employees against fluctuations in revenues and unforeseen expenditures that might otherwise require drastic short term solutions involving either temporary tax increases, reductions in force or reduction in service levels.

The City maintains a Special Allocation Fund for purposes of accounting for revenues generated in the Tax Increment Financing District (Manchester-Ballas Redevelopment Area). These revenues are remitted by the City on a monthly basis to a third party trustee for safekeeping, investment and use in paying off principal and interest on the TIF bonds. Under the provisions of the Redevelopment Agreement, the City has agreed to utilize revenues in excess of those required to meet bond obligations to both accelerate debt service payments and to pass-thru a portion to other taxing jurisdictions, most notably the local school districts, on an annual basis. During 2012, the City was able to pay down \$2,520,000 in bonds early. The \$6,490,000 balance of TIF obligations will be fully retired in 2013 – seven (7) years ahead of the initial schedule.

## **RELEVANT FINANCIAL POLICIES**

### Cash Management

The City's policy regarding investments is to minimize credit and market risk while maintaining a competitive yield on its portfolio. The investment policy allows maturities of up to three (3) years from the date of purchase. With the exception of certain pension forfeiture deposits, all City deposits and investments are insured by federal depository insurance, collateralized or held by the counterparty's trust department or agency in the City's name. Acceptable collateral are obligations of the U.S. Treasury and U.S. government agencies; bonds issued by the State of Missouri or local governments in Missouri with a population greater than 400,000.

### Debt Management

The City has established a separate Debt Service Fund for purposes of management of all outstanding long-term debt. While the issuance of General Obligation (GO) debt allows for repayment from a dedicated property tax, the City has opted to forego such a tax since 1994 and to retire debt from sales tax revenues.

Current bonds outstanding as of December 31, 2012 include \$9,220,000 in Series 2005 & Series 2010 General Obligation Bonds and \$1,985,000 in Series 2009 COPS. Bond obligations are not financed from a dedicated property tax. A transfer of a portion of the Capital Improvement Sales Tax and the Park Sales Tax proceeds are dedicated to make the annual debt service obligations for the retirement of the outstanding bonds.

### Risk Management

The City is a participating member in a multi-line self-insured pool (St. Louis Area Insurance Trust – SLAIT) for purposes of providing workers compensation, general liability, automotive liability, police professional liability and health insurance. SLAIT was formed in 1987 and the City obtained membership in July 1989. Each member in the pool is a city located within St. Louis County with professional management in the form of a City Manager or City Administrator. A twelve (12) member Board of Trustees manages the trust. The City has held a position on the Board of Trustees since 1989. SLAIT has retained a local insurance brokerage firm to manage its overall affairs and operations. The Board of Trustees contracts for actuarial, accounting and third-party claims administration services.

SLAIT retains certain levels of coverage using a self-insured retention created from member premiums and reinsures on both an individual and aggregate stop loss. Each policy year is segregated financially and dividends are paid to the member cities after all claims for that calendar year are fully paid and closed. All cities are rated and policies are written individually.

## MAJOR INITIATIVES

During the course of the 2012 Fiscal Year, the City undertook a number of major initiatives and projects that will have an impact on future City finances including:

- Utilized excess revenues from the Tax Increment Financing District to early retire \$5,950,000 in TIF bonds and to distribute \$1,175,494 in excess revenues to other taxing jurisdictions. 2012 was the ninth year in which the City was able to accelerate retirement of the TIF debt. The City officially closed the TIF in December of 2012 and has scheduled full repayment of all TIF obligations by February 2013 – a full 7 years ahead of schedule.
- For the 18th consecutive year, the City rolled back its property tax used for general operations to zero as a way to preserve the legal authority under Missouri Law to re-impose that tax without a vote. This effectively gives the City a readily available revenue source which can generate \$1,000,000 in revenue in an emergency.
- Given that sales tax represents nearly 60% of total revenue to the City and that sales tax generation is concentrated in a single location (West County Center), the City has chosen to insure its sales tax revenues. Under the policy, the City will receive 100% of the prior year's sales tax revenues less a \$25,000 deductible if the City were to lose revenue as a result of a fire, natural disaster or terrorism.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Des Peres for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2011. This was the 17th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance department. Each member of the department and all City employees who supplied information have our sincere appreciation for the contributions made in preparation of this report. Credit also must be given to the Mayor and Board of Aldermen for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Des Peres' finances.

Respectfully submitted,



**Douglas J. Harms**  
City Administrator



**Tracy E. Hansen, CPA**  
Director of Finance

# CITY OF DES PERES, MISSOURI

## CITY OFFICIALS

### Elected Officials:

	<b>Title</b>	<b>First Elected</b>	<b>Current Term Ends</b>
Rick Lahr	Mayor	2000	April 2014
Jim Kleinschmidt	Alderman, Ward 2	1995	April 2013
Kathleen Gmelich	Alderman, Ward 1	1997	April 2013
Paul Fingerhut	Alderman, Ward 3	2000	April 2014
Paul Racziewicz	Alderman, Ward 2	2000	April 2014
John Pound	Alderman, Ward 1	2002	April 2014
John Gnagi	Alderman, Ward 3	2012	April 2013

### Appointed Officials:

	<b>Title</b>	<b>Appointed</b>
Douglas J. Harms	Administrator	1985
Jennifer Grey	Assistant to the Administrator	2012
Sandra Haynes	City Clerk	2011
Tracy E. Hansen	Director of Finance	2010
Keith Krumm	Director of Public Safety	2009
Dennis Knock	Director of Public Works	1986
Brian Schaffer	Director of Parks & Recreation	2012

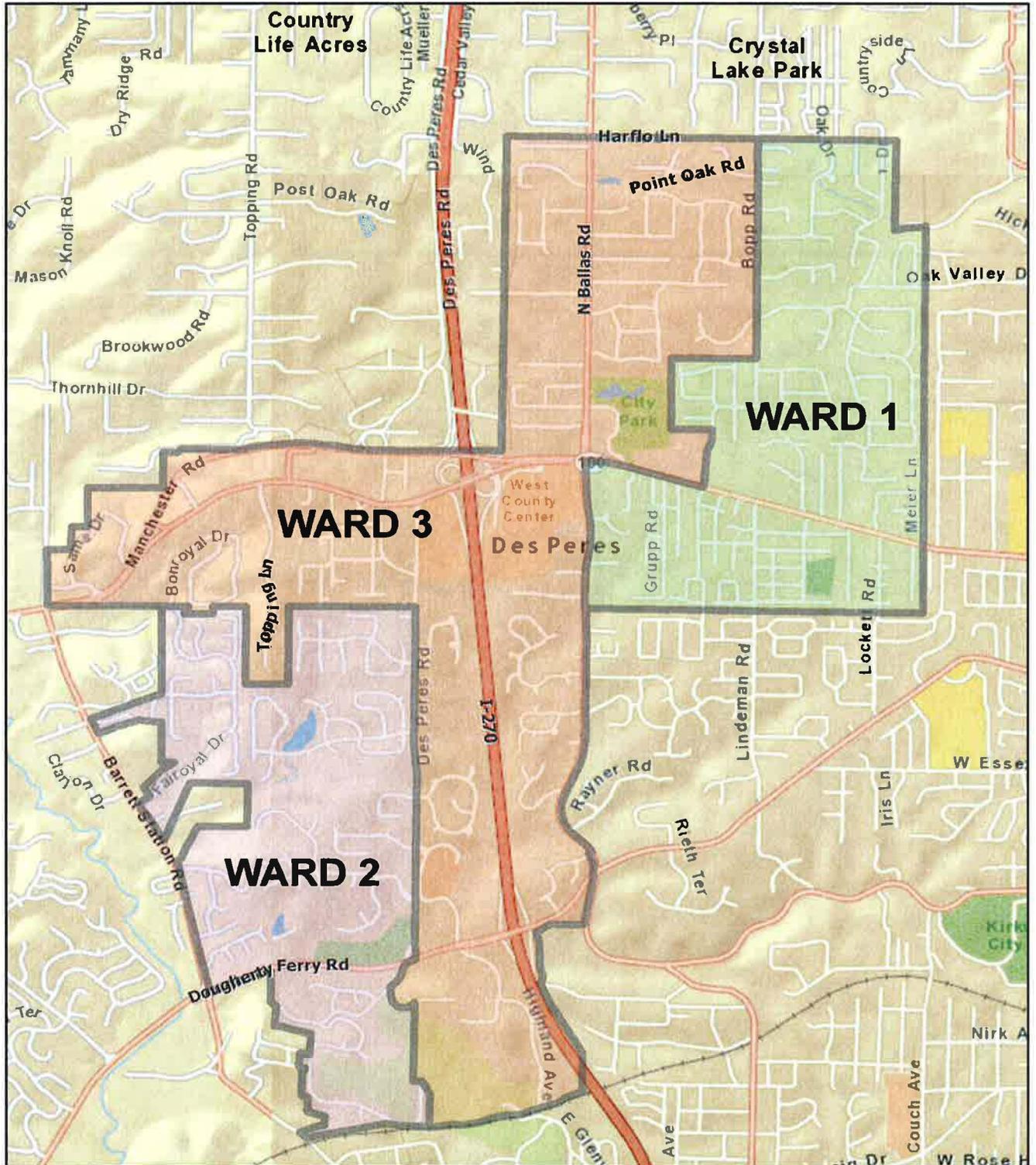
### Audit and Finance Committee:

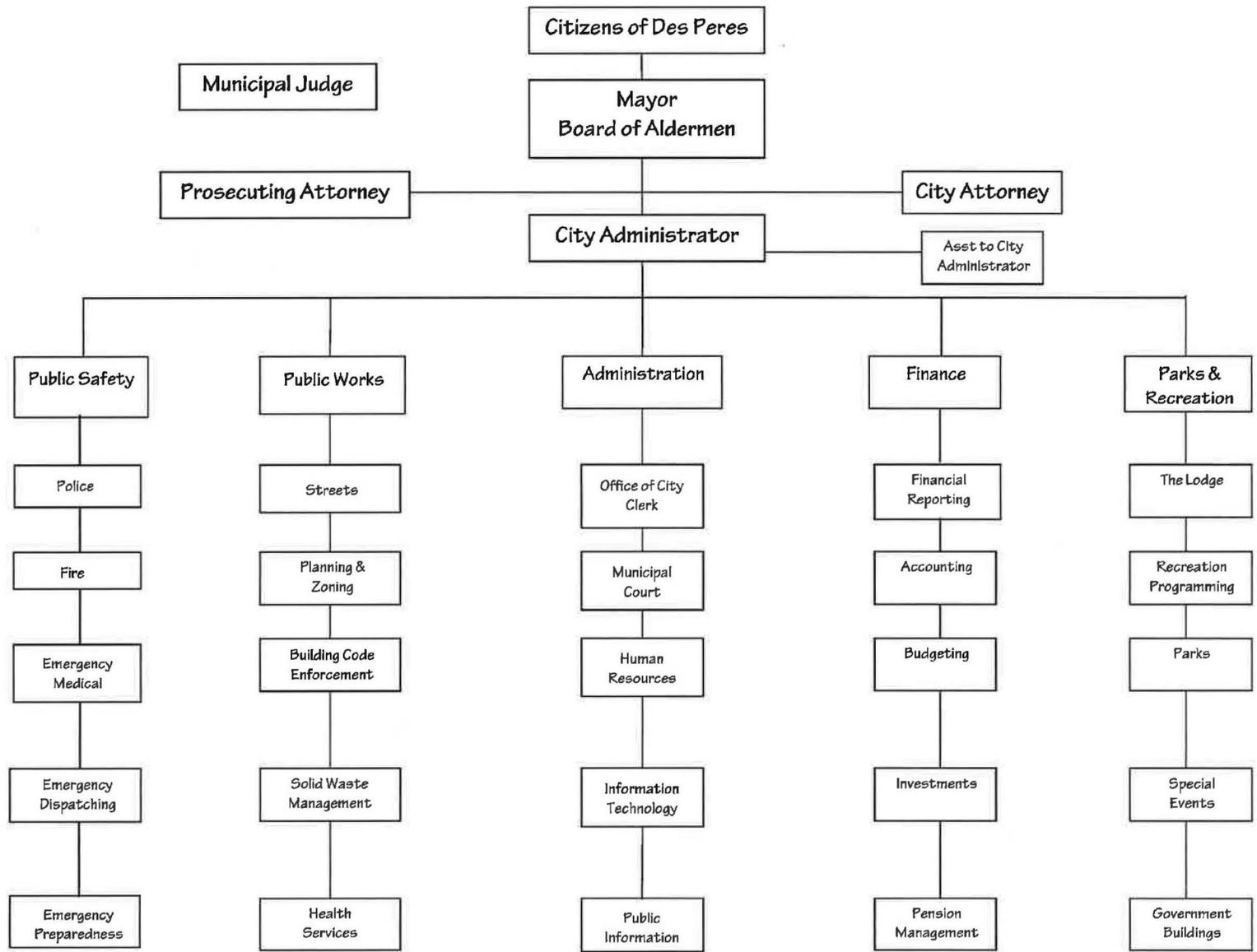
	<b>Ward</b>	<b>Current Term Ends</b>
Randy Atkisson	2	2013
Judy Mundle	2	2013
Michael Hauser	1	2014
Dan Bauman	2	2014
Marc Hamilton	3	2014
Vacant		2013

# CITY OF DES PERES WARDS

These maps are for general informational purposes and the City of Des Peres makes no representations or warranties about the accuracy of the information contained herein and assumes no responsibility for the information contained on these maps. The information set forth on these maps are public information that is being made available to the public in this format as a convenience to the public. Users noting errors or omissions are encouraged to contact the City of Des Peres, MO Administration.

KIRKWOOD G.I.S. DIVISION | 2012 JAN





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Des Peres  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Morrell*

President

*Jeffrey R. Egan*

Executive Director

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**Financial Section**

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# SCHOWALTER & JABOURI, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
11878 GRAVOIS ROAD  
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## Independent Auditors' Report

The Honorable Mayor and Members  
of the Board of Aldermen  
City of Des Peres, Missouri

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Des Peres, Missouri (the City), as of and for the year ended December 31, 2012, 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 the 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 of 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 auditor's judgment, including the assessment of 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 reasonableness of significant accounting estimates may be management, as well as evaluating the overall presentation of the financial statements.

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

#### MEMBERS

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

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

## ***Opinions***

In our opinion, the financial statement referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Des Peres, Missouri, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the budgetary comparison information, related notes and schedule of funding progress on pages 41 through 47 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***

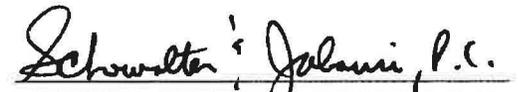
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, the combining and individual nonmajor fund financial statements, the budgetary comparison information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 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 information is 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 April 19, 2013 on our consideration of the City'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 the City's internal control over financial reporting and compliance.

  
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri  
April 19, 2013

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## CITY OF DES PERES, MISSOURI

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Des Peres, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2012. We encourage readers to use this document in conjunction with the transmittal letter in the Introductory Section of this report and with the City's financial statements that follow this section.

#### FINANCIAL HIGHLIGHTS

- On a government-wide basis, the assets of the City exceeded its liabilities (net position) at the end of the current year by \$42,925,885. The City has unrestricted net position totaling \$3,006,044 which includes \$6,490,000 in Tax Increment Revenue Bonds outstanding at year end for infrastructure assets not owned by the City.
- The City's total net position increased by \$5,669,020. This increase is primarily attributable to an increase in revenues from the TIF district (West County Center) that allowed for early retirement of TIF bonds.
- At the close of the current year, the City's governmental funds reported combined ending fund balances of \$21,214,461, a decrease of \$5,135,329 in comparison with the prior year. Approximately 25.74% of this total or \$5,466,972 is available for spending at the City's discretion.
- At the end of the current year, unassigned fund balance for the general fund was \$5,466,972 or 57% of total general fund expenditures.
- The City of Des Peres' total debt decreased by \$9,480,000 or 34.89 % during 2012.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Des Peres is improving or deteriorating.

## CITY OF DES PERES, MISSOURI

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### *Management's Discussion and Analysis (Continued)*

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, streets, parks and recreation and health. The City does not have any business-type activities.

The government-wide financial statements can be found on pages 15 - 16 of this report.

### **FUND FINANCIAL STATEMENTS**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are governmental funds. It should be noted that the City does not have any fiduciary or proprietary 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 focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *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 government's near term financial 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 the comparison between *governmental funds* and the government-wide *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Allocation-West County Center Fund, Park Fund, Capital Improvements Fund and Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds." Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the other supplementary information section in this report.

## **CITY OF DES PERES, MISSOURI**

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### *Management's Discussion and Analysis (Continued)*

The City adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for all funds to demonstrate legal compliance with the respective adopted budget.

The governmental fund financial statements can be found on pages 17 - 21 of this report.

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 22 - 40 of this report.

### **REQUIRED SUPPLEMENTARY INFORMATION**

In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found on pages 41 - 47 of this report.

### **OTHER SUPPLEMENTARY INFORMATION**

The combining and individual fund statements, referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 48 – 54 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances as discussed in the following analysis of net position and changes in net position.

As noted earlier, net position may serve, over time, to be a useful indicator of a government's financial position. In the case of the City, assets exceeded its liabilities (net position) at the end of the current fiscal year, for a total of \$42,925,885.

The largest portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF DES PERES, MISSOURI**

*Management's Discussion and Analysis (Continued)*

	<b>December 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
Current and other assets	\$23,108,329	\$28,303,688
Capital assets, net	39,766,478	38,572,102
<b>Total assets</b>	<b>62,874,807</b>	<b>66,875,790</b>
<b>Liabilities</b>		
Long-term liabilities	17,951,246	27,446,964
Other liabilities	1,997,676	2,171,961
<b>Total liabilities</b>	<b>19,948,922</b>	<b>29,618,925</b>
<b>Net Position</b>		
Invested in capital assets, net of related debt	28,572,988	25,893,067
Restricted	11,346,853	16,715,040
Unrestricted	3,006,044	(5,351,242)
<b>Total net position</b>	<b>\$42,925,885</b>	<b>\$37,256,865</b>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$3,006,044 is explained further below. At the end of the current fiscal year, the City is able to report positive balances in three categories of net assets, for the government as a whole. Unrestricted net assets are \$3,006,044 which include \$6,490,000 in Tax Increment Revenue Bonds outstanding at year-end for infrastructure assets not owned by the City. The TIF bonds are limited obligations of the City and are funded only by incremental revenues generated within the TIF district.

**CITY OF DES PERES, MISSOURI**

*Management's Discussion and Analysis (Continued)*

**Governmental Activities**

Governmental activities increased the City of Des Peres' net position by \$5,669,020. Key elements of this are as follows:

	<b>For the</b>	
	<b>Years Ended December 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 5,281,250	\$ 5,293,253
Operating grants and contributions	712,205	753,591
Capital grants and contributions	794,835	463,468
General revenues:		
Taxes	15,663,974	18,845,908
Investment income	100,961	218,151
Miscellaneous	172,423	198,146
Total revenues	22,725,648	25,772,517
<b>Expenses</b>		
General government	2,798,859	2,630,766
Public safety	5,782,299	5,670,664
Public works	510,521	484,431
Streets	1,241,021	1,135,172
Parks and recreation	5,001,826	4,924,608
Health	689,580	693,659
Interest on long-term debt	1,032,522	1,449,724
Total expenses	17,056,628	16,989,024
<b>Changes in net position</b>	5,669,020	8,783,493
<b>Net position - Beginning of Year</b>	37,256,865	28,473,372
<b>Net position - End of Year</b>	\$42,925,885	\$37,256,865

Net position increased by \$5,669,020 which is under the increase in the prior year. That net increase is substantially due to retirement of outstanding debt in the amount of \$9,480,000 during fiscal 2012. This included the early pay down on series 2002 Tax Increment Financing Revenue bonds of \$2,850,000. In addition, the City enjoyed a surplus of governmental fund revenues over expenses in fiscal 2012 of \$461,864 not including the Special Allocation Fund – West County Center.

## CITY OF DES PERES, MISSOURI

### *Management's Discussion and Analysis (Continued)*

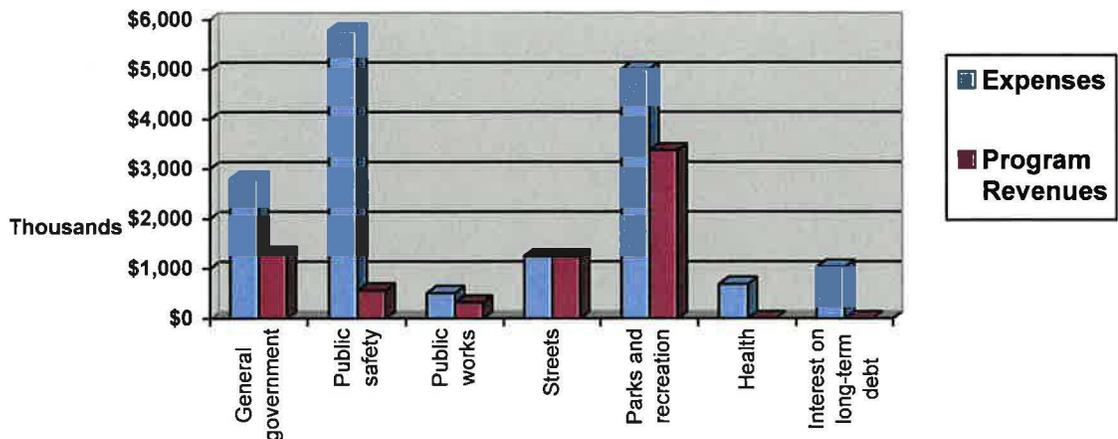
2012 revenues totaled \$22,725,648 – a decrease of \$3,046,869 (-11.82%) over the prior fiscal year. This decrease in revenue can be attributed to three (3) primary factors:

- A decrease of (\$3,181,933) (-16.88%) in tax revenue over the prior year. This decrease is primarily due to the closure of the Tax Increment Financing District in December 2012 which allowed for payment of 2012 PILOTs to go to the other taxing jurisdictions. In light of the decrease in TIF Taxes received, the City experienced growth in sales taxes in the General, Park, and Fire funds as the City does not levy a property tax. Sales tax increases in those funds are due primarily to general economic recovery in 2012; strong performance at West County Center with 8.60% growth in gross sales.
- An increase of \$46,866 (4.17%) in Licenses, Fees, & Permits attributable primarily to the normal fluctuation of building projects within the City during 2012.
- Those increases were partially offset by a reduction of -\$117,190 in investment income reflecting the impact of historically low interest rates.

Following is a chart comparing program revenues and expenses for the individual government activities for the current year. As the chart reflects, all activities are supported by assistance from General Revenues (e.g., Taxes, Interest, etc.).

Government Function	Expenses	Charges, Fees & Grants	Net Revenues (Expenses)
General Government	\$ 2,798,859	\$ 1,296,357	\$ (1,502,502)
Public Safety	5,782,299	561,339	(5,220,960)
Public Works & Streets	1,751,542	1,558,306	(193,236)
Parks & Recreation	5,001,826	3,372,288	(1,629,538)
Health & Sanitation	689,580	-	(689,580)
Interest on Long-Term Debt	1,032,522	-	(1,032,522)
	<b>\$ 17,056,628</b>	<b>\$ 6,788,290</b>	<b>\$ (10,268,338)</b>

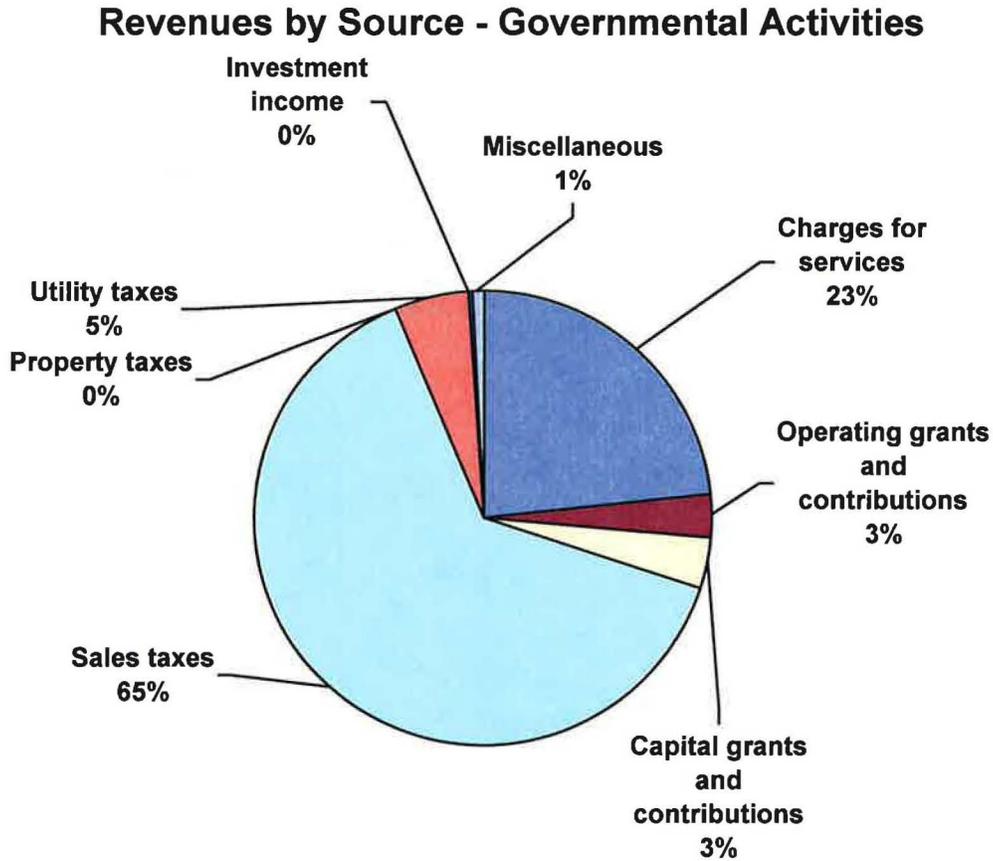
### Expenses and Program Revenues - Governmental Activities



**CITY OF DES PERES, MISSOURI**

*Management's Discussion and Analysis (Continued)*

The next chart reflects the percent of the total for each source of revenue supporting governmental activities.



**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Governmental Funds**

The focus of the City's governmental funds is to provide information on inflows, outflows and balances of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At the end of 2012, the unassigned fund balance of the General Fund was \$5,466,972. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 57% of total general fund expenditures and transfers out totaling \$9,540,817 while the total fund balance represents 60% of total general fund expenditures and transfers out.

## CITY OF DES PERES, MISSOURI

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### *Management's Discussion and Analysis (Continued)*

The fund balance in the City's general fund increased by \$32,970 or 0.58% from the prior year fund balance. The change of the current year's fund balance is mainly due to:

- There was a transfer in of \$1,122,250 mainly from the Fire Sales tax fund for operating purposes.
- Expenditures in almost all departments were under budget, for a total of \$453,753 under 2012 budgetary expectations.
- While revenue came in under budgetary expectations, the City budgeted 2012 with a net decrease in fund balance. Sales taxes, intergovernmental revenues and investment revenues were all projected to be less in 2012 due to economic conditions. Also, expenditures were higher with the cost of gasoline, asphalt and other building materials.

Changes in fund balances for other major governmental funds can be described as follows:

- Special Allocation Fund – It is the City's policy to utilize surplus monies in the TIF Fund to pass through revenue to other taxing jurisdictions (35%) and for accelerated debt service payments (65% of prior year's surplus). In 2012, the distribution of surplus to other taxing jurisdictions represented \$1,175,494 and \$5,950,000 in early debt retirement. Those payments, coupled with decrease in sales tax revenues for the district, due to the closure of the TIF in December, resulted in a net decrease in fund balance of (\$5,597,193).
- Park Fund – the fund balance in the Park Fund increased by \$584,858 which is substantially larger than in the prior year. This is primarily due to a decrease in the amount transferred to the Debt Service fund for payment of the bonds issued for construction of The Lodge Des Peres. Revenues in the fund grew by a modest +3.32% attributable primarily to the increase in Sales Tax Revenue. Expenses in the fund by +2.50%.
- Capital Improvements Fund – changes in fund balance in the Capital Fund will fluctuate between surpluses and deficits from year-to-year reflecting the general nature and purpose of the fund: to accumulate dollars for capital projects. In 2012, the fund balance increased by \$271,134 due primarily to an increase in grant revenue for bridges projects. Expenses for capital equipment and projects increased by \$334,233 due primarily to the costs of replacement of the Highland Bridge and the renovation of Sugar Creek Park.

### **General Fund Budgetary Highlights**

In the General Fund, the following significant variances occurred between the original budget, the amended budget and actual revenues and expenditures for 2012:

- Revenues for 2012 were under budget by 3.09% and decreased by 0.25 % over the prior year's actual.
- The only revenue source showing significant decreases from the prior year is Utility Gross Receipts Tax. This could be the result of mild weather conditions.

## CITY OF DES PERES, MISSOURI

### *Management's Discussion and Analysis (Continued)*

- General Fund expenditures grew by 4.5% over the prior year. However, in 2012 the City continued its experience in bringing actual expenditures within budget with spending at only 95.46% of appropriations. Actual expenditures for all operating budgets fell within appropriations. General Government (-6.17%), Public Safety (-4.45%), Public Works & Streets (-5.67%), and Parks & Recreation (-3.13%) all fell below appropriations for 2012.
- The General Fund experienced revenues in excess of expenditures and transfers of \$32,970.
- The balance in the General Fund at year end 2012 totals \$5,701,887 which represents 60% of expenditures for the past year. Approximately 96% of that fund balance is unassigned and can be used for any lawful purpose by the City. It protects the City against any cash flow problems during the year and represents an emergency fund to allow the City the luxury of time to analyze and respond to any significant changes in revenues or unexpected expenditures.

### **CAPITAL ASSETS**

The City has invested \$39,766,478 in a broad range of capital assets, including park facilities, roads, buildings, machinery & equipment and automobiles & trucks. This amount represents a net increase for the current fiscal year (including additions and deletions) of \$1,194,376 primarily due to bridge projects funded in part by federal grants, the purchase of a new ambulance for Public Safety and the completion of the Sugar Creek Park renovation project.

#### **City of Des Peres' Capital Assets Net of Depreciation**

	<b>December 31,</b>	
	<b>2012</b>	<b>2011</b>
Land and construction in progress	\$ 10,688,156	\$ 10,791,575
Land improvements	879,570	773,724
Buildings	19,656,398	20,087,964
Vehicles	989,522	795,296
Furniture, fixtures and equipment	1,045,947	671,879
Infrastructure	6,506,885	5,451,664
	\$ 39,766,478	\$ 38,572,102

Additional information on the City's capital assets can be found in Note 3 of the notes to the basic financial statements.

## CITY OF DES PERES, MISSOURI

### *Management's Discussion and Analysis (Continued)*

#### LONG-TERM DEBT

At the end of December 2012, the City had outstanding long-term debt obligations for governmental activities in the amount of \$17,695,000 compared to \$ 27,175,000 in 2011. Of this amount, \$6,490,000 is in tax increment financing bonds (West County Center), \$9,220,000 is in general obligation bonds (Recreation Center Construction), and \$1,985,000 is in certificates of participation (Recreation Center Construction). The 12.81% decrease in the City's long-term debt obligations is due to the additional principal paid on the tax increment financing bonds.

#### City of Des Peres' Outstanding Debt

	December 31,	
	2012	2011
Tax increment revenue bonds	\$ 6,490,000	\$ 14,510,000
General obligation bonds	9,220,000	10,220,000
Certificates of participation	1,985,000	2,445,000
	<u>\$ 17,695,000</u>	<u>\$ 27,175,000</u>

Additional information on the City's long-term debt can be found in Note 4 of the notes to the basic financial statements.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The downturn in our nation's economy has affected the budgets of many states and municipalities across the United States. We continue to hear news about the economic difficulties facing legislators on both the state and national levels. Many cities across the country have had to cut programs because of reduced revenue. However, at the City of Des Peres, the proposed 2013 budget continues to fund all current City services while maintaining the same commitment to high level services for all citizens.

- The 2013 budget continues for the 19<sup>th</sup> consecutive year a rollback of the City's allowable real estate tax to \$0.00 representing a significant savings to City residents and businesses. The City is legally authorized to levy a tax of \$0.30 for general revenue purposes which would generate an estimated \$1,000,000 per year.
- The City will continue its free sanitation and recycling program to City single family residents in 2013, representing an annual savings to homeowners of nearly \$240 per year.
- Revenues for *The Lodge Des Peres* have been set to be competitive with, but at the high end of, similar municipal recreation centers in the metropolitan area. Historically, Lodge generated revenues recover 95% of operating costs.
- City operations are service oriented, thus are provided by using human resources. Consequently, the single largest expenditure within the operating budgets is for salary and benefits representing 56% of projected operating costs for 2013.

## **CITY OF DES PERES, MISSOURI**

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### *Management's Discussion and Analysis (Continued)*

- In February 2013, the City was able to pay off the balance of \$6,490,000 in TIF Bonds due to be paid in 2020. Since the TIF was officially closed in December of 2012, all of the PILOTs collected in 2012 were redistributed to various taxing jurisdiction, with the majority of that distribution being to the Kirkwood School District.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Des Peres' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance, City of Des Peres, 12325 Manchester Road, Des Peres, MO 63131 or by logging on to the City's website at [www.desperesmo.org](http://www.desperesmo.org).

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## **Basic Financial Statements**

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CITY OF DES PERES, MISSOURI

STATEMENT OF NET POSITION

December 31, 2012

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and investments	\$ 12,428,844
Receivables:	
Taxes	2,605,140
Utilities gross receipts tax	65,710
Intergovernmental	160,520
Interest	13,546
Court	77,648
Other	127,765
Prepaid items	234,915
Deferred charges, net	148,088
Other post employment benefit asset	37,161
Cash and investments:	
Held by trustees	6,601,491
Restricted	607,501
Capital assets:	
Nondepreciable	10,688,156
Depreciable, net of accumulated depreciation	29,078,322
<b>Total Assets</b>	<u>62,874,807</u>
<b>Liabilities</b>	
Accounts payable	503,974
Accrued payroll	189,984
Accrued interest	289,057
Unearned revenue	566,011
Deposits payable	418,017
Court bonds payable	25,363
Public safety forfeiture funds	5,270
Noncurrent liabilities:	
Due within one year	8,020,880
Due in more than one year	9,930,366
<b>Total Liabilities</b>	<u>19,948,922</u>
<b>Net Position</b>	
Net investment in capital assets	28,572,988
Restricted for:	
Tax increment financing debt and projects	7,957,840
Capital projects	2,224,467
Sewer lateral repair program	214,090
Fire prevention and operations	950,456
Unrestricted	3,006,044
<b>Total Net Position</b>	<u>\$ 42,925,885</u>

**CITY OF DES PERES, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2012**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) And Changes In Net Position Primary Government Governmental Activities
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
<b>Primary Government Governmental Activities</b>					
General government	\$ 2,798,859	\$ 1,296,357	\$ -	\$ -	\$ (1,502,502)
Public safety	5,782,299	534,683	22,609	4,047	(5,220,960)
Public works	510,521	232,282	88,317	-	(189,922)
Streets	1,241,021	-	588,311	649,396	(3,314)
Parks and recreation	5,001,826	3,217,928	12,968	141,392	(1,629,538)
Health	689,580	-	-	-	(689,580)
Interest on long-term debt	1,032,522	-	-	-	(1,032,522)
<b>Total Governmental Activities</b>	<b>\$ 17,056,628</b>	<b>\$ 5,281,250</b>	<b>\$ 712,205</b>	<b>\$ 794,835</b>	<b>(10,268,338)</b>
<b>General Revenues</b>					
Taxes:					
Sales tax levied for:					
					4,507,492
					2,361,206
					2,155,753
					1,180,460
					4,299,579
					1,159,484
					100,961
					172,423
					<u>15,937,358</u>
					5,669,020
					<u>37,256,865</u>
					<u>\$ 42,925,885</u>

**CITY OF DES PERES, MISSOURI**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2012**

	Major Funds					Nonmajor Funds	
	General	Special Allocation - West County Center	Park	Capital Improvements	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and investments	\$ 4,382,825	\$ 974,137	\$ 3,608,490	\$ 2,326,262	\$ 269,414	\$ 867,716	\$ 12,428,844
Receivables:							
Taxes	1,309,401	-	548,244	473,516	-	273,979	2,605,140
Utilities gross receipts tax	65,710	-	-	-	-	-	65,710
Intergovernmental	160,520	-	-	-	-	-	160,520
Court	77,648	-	-	-	-	-	77,648
Interest	5,620	-	4,156	2,681	310	779	13,546
Other	84,626	-	-	18,467	-	24,672	127,765
Prepaid items	234,915	-	-	-	-	-	234,915
Cash and investments:							
Held by trustees	-	6,601,488	-	-	3	-	6,601,491
Restricted	107,501	500,000	-	-	-	-	607,501
<b>Total Assets</b>	<b>\$ 6,428,766</b>	<b>\$ 8,075,625</b>	<b>\$ 4,160,890</b>	<b>\$ 2,820,926</b>	<b>\$ 269,727</b>	<b>\$ 1,167,146</b>	<b>\$ 22,923,080</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 133,686	\$ 8,942	\$ 22,219	\$ 336,527	\$ -	\$ 2,600	\$ 503,974
Accrued payroll	144,543	-	45,441	-	-	-	189,984
Deposits payable	418,017	-	-	-	-	-	418,017
Court bonds payable	25,363	-	-	-	-	-	25,363
Public safety forfeiture funds	5,270	-	-	-	-	-	5,270
Unearned revenue	-	-	566,011	-	-	-	566,011
<b>Total Liabilities</b>	<b>726,879</b>	<b>8,942</b>	<b>633,671</b>	<b>336,527</b>	<b>-</b>	<b>2,600</b>	<b>1,708,619</b>
<b>Fund Balances</b>							
<b>Nonspendable:</b>							
Prepaid Items	234,915	-	-	-	-	-	234,915
<b>Restricted:</b>							
Capital improvements	-	-	-	2,224,468	-	-	2,224,468
Sewer lateral program	-	-	-	-	-	214,090	214,090
Fire prevention and operations	-	-	-	-	-	950,456	950,456
TIF projects and debt obligations	-	8,066,683	-	-	-	-	8,066,683
<b>Committed for:</b>							
Infrastructure	-	-	-	235,897	-	-	235,897
Tree replacement	-	-	-	24,034	-	-	24,034
<b>Assigned for:</b>							
Parks and recreation	-	-	3,527,219	-	-	-	3,527,219
Debt Service Fund	-	-	-	-	269,727	-	269,727
<b>Unassigned:</b>							
General Fund	5,466,972	-	-	-	-	-	5,466,972
<b>Total Fund Balances</b>	<b>5,701,887</b>	<b>8,066,683</b>	<b>3,527,219</b>	<b>2,484,399</b>	<b>269,727</b>	<b>1,164,546</b>	<b>21,214,461</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,428,766</b>	<b>\$ 8,075,625</b>	<b>\$ 4,160,890</b>	<b>\$ 2,820,926</b>	<b>\$ 269,727</b>	<b>\$ 1,167,146</b>	<b>\$ 22,923,080</b>

**CITY OF DES PERES, MISSOURI**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
December 31, 2012**

**Total Fund Balance - Governmental Funds** \$ 21,214,461

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 \$60,821,389 and the accumulated depreciation is \$21,054,911. 39,766,478

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The following amounts are the effect of these differences in the treatment of long-term debt and related items.

Accrued interest payable	(289,057)
Compensated absences	(267,755)
Unamortized bond premium	(278,731)
Unamortized deferred amount on refunding	290,240
Bonds and other long-term debt outstanding	(17,695,000)
Unamortized bond issuance costs	148,088
Other post employment benefits	37,161
	<hr/>
<b>Total Net Position - Governmental Activities</b>	<b>\$ 42,925,885</b>

**CITY OF DES PERES, MISSOURI**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2012**

	Major Funds					Nonmajor Funds	
	General	Special Allocation - West County Center	Park	Capital Improvements	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 4,507,491	\$ 4,276,476	\$ 2,361,206	\$ 2,155,753	\$ -	\$ 1,180,460	\$ 14,481,386
Utility gross receipts tax	1,159,484	23,103	-	-	-	-	1,182,587
Intergovernmental	700,106	-	-	794,836	-	-	1,494,942
Licenses	1,169,840	-	-	-	-	-	1,169,840
Fees and permits	678,471	-	3,217,632	-	-	-	3,896,103
Investment income	38,872	695	30,131	18,714	1,395	11,154	100,961
Miscellaneous	197,273	-	16,359	92,010	-	94,187	399,829
<b>Total Revenues</b>	<b>8,451,537</b>	<b>4,300,274</b>	<b>5,625,328</b>	<b>3,061,313</b>	<b>1,395</b>	<b>1,285,801</b>	<b>22,725,648</b>
<b>Expenditures</b>							
Current:							
General government	1,443,083	1,175,494	-	-	-	-	2,618,577
Public safety	5,493,858	-	-	-	-	-	5,493,858
Public works	426,054	-	-	-	-	84,467	510,521
Streets	820,948	-	-	-	-	-	820,948
Parks and recreation	667,294	-	3,519,770	-	-	-	4,187,064
Health	689,580	-	-	-	-	-	689,580
Capital outlay	-	-	-	2,931,379	-	-	2,931,379
Debt service:							
Principal retirement	-	8,020,000	-	-	1,460,000	-	9,480,000
Interest and fiscal charges	-	687,073	-	-	458,977	-	1,146,050
<b>Total Expenditures</b>	<b>9,540,817</b>	<b>9,882,567</b>	<b>3,519,770</b>	<b>2,931,379</b>	<b>1,918,977</b>	<b>84,467</b>	<b>27,877,977</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(1,089,280)</b>	<b>(5,582,293)</b>	<b>2,105,558</b>	<b>129,934</b>	<b>(1,917,582)</b>	<b>1,201,334</b>	<b>(5,152,329)</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	1,122,250	-	-	230,000	1,615,000	-	2,967,250
Transfers out	-	(14,900)	(1,520,700)	(105,800)	-	(1,325,850)	(2,967,250)
Proceeds from disposal of assets	-	-	-	17,000	-	-	17,000
<b>Total Other Financing Sources (Uses)</b>	<b>1,122,250</b>	<b>(14,900)</b>	<b>(1,520,700)</b>	<b>141,200</b>	<b>1,615,000</b>	<b>(1,325,850)</b>	<b>17,000</b>
<b>Net Change In Fund Balances</b>	<b>32,970</b>	<b>(5,597,193)</b>	<b>584,858</b>	<b>271,134</b>	<b>(302,582)</b>	<b>(124,516)</b>	<b>(5,135,329)</b>
<b>Fund Balances - Beginning of Year</b>	<b>5,668,917</b>	<b>13,663,876</b>	<b>2,942,361</b>	<b>2,213,265</b>	<b>572,309</b>	<b>1,289,062</b>	<b>26,349,790</b>
<b>Fund Balances - End of Year</b>	<b>\$ 5,701,887</b>	<b>\$ 8,066,683</b>	<b>\$ 3,527,219</b>	<b>\$ 2,484,399</b>	<b>\$ 269,727</b>	<b>\$ 1,164,546</b>	<b>\$ 21,214,461</b>

**CITY OF DES PERES, MISSOURI**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2012**

**Net Change In Fund Balances - Governmental Funds** \$ (5,135,329)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Donated assets are not recorded in governmental funds but are recognized as revenues 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	2,621,970	
Proceeds from sale of capital assets	(17,000)	
Depreciation expense	<u>(1,396,248)</u>	1,208,722

In the statement of activities, the gain (loss) on the sale of the capital assets is reported. The gain (loss) is not a use of current resources and thus is not reported in the funds. (14,346)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of bond principal	9,480,000	
Deferred amount on refunding, net of amortization	(39,318)	
Premiums on debt issuance, net of amortization	64,862	
Bond issue costs, net of amortization	<u>(33,007)</u>	9,472,537

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.

Accrued interest on bonds	120,990
Compensated absences	(9,826)
Other post employment benefits	<u>26,272</u>

**Change In Net Position - Governmental Activities** \$ 5,669,020

**CITY OF DES PERES, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND-**  
**MUNICIPAL PARTNERS FOR INCLUSIVE RECREATION**  
**December 31, 2012**

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	<u>Agency Fund</u>
<b>Assets</b>	
Cash and investments	\$ 27,554
<b>Total Assets</b>	<u>\$ 27,554</u>
<b>Liabilities</b>	
Held for others	\$ 27,554
<b>Total Liabilities</b>	<u>\$ 27,554</u>

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**CITY OF DES PERES, MISSOURI**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**December 31, 2012**

**1. Summary of Significant Accounting Policies**

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

**Reporting Entity**

The financial statements of the City include the financial activities of the City and its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by both GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. A component unit is a legally separate organization for which the primary government is financially accountable or closely related. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or because the potential component unit will provide a financial benefit or impose a financial burden on the City. The City does not have any component units.

**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 of the activities of the primary government. The effect of interfund activity has been removed from these statements.

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 or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## CITY OF DES PERES, MISSOURI

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### *Notes to Basic Financial Statements (Continued)*

#### **Fund Financial Statements**

Following the government-wide financial statements are separate financial statements for governmental funds. 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 balance for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

#### **Fund Accounting**

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

#### **Governmental Fund Types**

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 are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

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

**Special Allocation Fund - West County Center Fund** - The Special Allocation Fund is a Special Revenue Fund used to account for revenues generated by the West County Center TIF district for the payment of debt service and other expenditures.

**Park Fund** - The Park Fund is a Special Revenue Fund used to account for a 1/2¢ parks sales tax for the operation of a community center.

**Capital Improvements Fund** - The Capital Improvements Fund is a Capital Projects Fund used to account for the accumulation of resources, primarily from a 1/2¢ capital improvement sales tax, for the acquisition or construction of major capital items.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the repayment of, long-term debt principal, interest and related costs.

The other governmental funds of the City are considered non-major. They are special revenue funds which account for the proceeds of the specific revenue sources that are legally committed to expenditures for specific purposes.

## CITY OF DES PERES, MISSOURI

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### *Notes to Basic Financial Statements (Continued)*

#### **Fiduciary Fund Type – Agency Fund**

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. Agency funds are custodial in nature (assets equal liabilities) and do not involve management of the results of operations. The City's agency fund accounts for deposits collected on behalf of the Municipal Partners for Inclusion Recreation agency.

#### **Measurement Focus**

##### ***Government-Wide Financial Statements***

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

##### ***Fund Financial Statements***

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

#### **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 are prepared using the accrual basis of accounting. Governmental funds used the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

#### **Revenues - Exchange and Nonexchange Transactions**

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied; however, the City currently does not levy a residential property tax. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility

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**CITY OF DES PERES, MISSOURI**

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*Notes to Basic Financial Statements (Continued)*

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 generally means expected to be received within sixty 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.

**Cash, Cash Equivalents and Investments**

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that all investments be reported in the financial statements at fair value. Fair value is established as readily determinable current market value for equity and debt securities.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid items. Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current position. An expenditure/expense is reported in the year in which services are consumed.

**Capital Assets**

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

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Asset	Years
Land improvements	15 - 30
Buildings	20 - 45
Vehicles	5 - 20
Furniture, fixtures and equipment	3 - 5
Infrastructure	30 - 50

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## CITY OF DES PERES, MISSOURI

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### *Notes to Basic Financial Statements (Continued)*

#### **Compensated Absences**

Under terms of the City's personnel policy, employees are granted vacations based on length of service. Vacations accrue monthly throughout each year. Upon termination, the employee is paid for unused vacation. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination. Accrued vacation can be converted to sick leave or sold back to the City with the City's approval. This conversion cannot reduce an employee's vacation accrual below two weeks. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if the amounts due at year end have matured.

#### **Other Post-Employment Benefits**

The City calculates and records a net other post employment benefit (OPEB) asset/liability in the government-wide financial statements. The net OPEB is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since January 1, 2009, the required date of implementation. The City is not required to and has elected not to retroactively implement GASB 45. Details relating to the City's postretirement health care benefits provided, OPEB asset/liability, and its calculation are provided at Note 6.

#### **Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of applicable bond premiums or discounts. Bond issuance costs are capitalized and reported as a deferred charge.

#### **Debt Refunding**

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

#### **Interfund Activity**

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

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

## CITY OF DES PERES, MISSOURI

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### *Notes to Basic Financial Statements (Continued)*

#### **Governmental Fund Balances**

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

**Nonspendable** - This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact. The City's nonspendable fund balance consists of 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 fund balances consists of various taxes approved by voters for specific purposes and sewer lateral program.

**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 balances consist of infrastructure and tree replacement.

**Assigned** - This consists of governmental fund balances that are intended to be used for specific purpose by a) Board of Aldermen or b) City Administrator. The City's assigned fund balance includes parks and recreation and debt service.

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

#### **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 is 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 net investment in capital assets.

## CITY OF DES PERES, MISSOURI

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### *Notes to Basic Financial Statements (Continued)*

#### **Use of Restricted Position**

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 expenditures toward restricted fund balance and then to other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

#### **Restricted Cash and Investments**

Certain assets for court bonds, escrow deposits, and the repayment of tax increment revenue bonds and certificates of participation are classified as restricted assets on the statement of net position or balance sheet.

#### **Allowance for Doubtful Accounts**

No significant uncollectible receivables have been identified; therefore, no allowance for doubtful accounts has been recorded.

#### **Unearned Revenue**

The City has received recreation fees in advance from yearly members. These fees are recognized as revenue on a monthly basis. This unearned revenue is recorded in the government-wide and fund financial statements.

#### **Use of Estimates**

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

#### **Adoption of New Accounting Standards**

For the year ended December 31, 2012 the City adopted GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict or contradict with GASB pronouncements.

For the year ended December 31, 2012, the City adopted GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

**CITY OF DES PERES, MISSOURI**

*Notes to Basic Financial Statements (Continued)*

**2. Cash and Investments**

The City maintains a pool of cash and investments that is available for use by all funds for the purpose of increasing interest earnings through investment activities. The interest earned on these investments is allocated to participating funds based on their average shares of funds invested. The carrying amounts of cash and investments have been decreased by \$9,269 in order to reflect the fair value at December 31, 2012.

Cash and investments as of December 31, 2012 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 12,428,844
Cash and investments held by trustees	6,601,491
Restricted cash and investments	607,501
Statement of Fiduciary Net Position:	
Cash and investments	<u>27,554</u>
Total Cash and Investments	<u><u>\$ 19,665,390</u></u>

Cash and investments as of December 31, 2012 consist of the following:

<u>Type</u>	<u>Amount</u>
<b>Deposits:</b>	
Cash on hand	\$ 3,100
Demand deposits	<u>5,771,123</u>
	<u>5,774,223</u>
<b>Investments:</b>	
Negotiable certificates of deposit	6,522,272
Money market mutual funds	<u>7,368,895</u>
	<u>13,891,167</u>
<b>Total Deposits and Investments</b>	<u><u>\$ 19,665,390</u></u>

**CITY OF DES PERES, MISSOURI**

*Notes to Basic Financial Statements (Continued)*

**Investments Authorized by the City’s Investment Policy**

The table below identifies the investment types that are authorized by the City’s investment policy. Debt proceeds held by bond trustees are invested in accordance with the provisions of the trust indentures.

<u>Authorized Investments</u>	<u>City Policy Legal Limit</u>
United States Treasury Securities	None
United States Agency Securities	60%
United States Agency Callable Securities	30%
Repurchase Agreements	50%
Money Market Mutual Funds	None
Certificates of Deposit	None

**Interest Rate Risk**

The City’s investment policy states that the City will minimize interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
2. Investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools.
3. Purchasing securities (excluding bond reserves) that shall mature and become payable not more than three years from the date of purchase.

Maturities of investments held at December 31, 2012 are as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Less Than One</u>	
		<u>Year</u>	<u>1-5 Years</u>
Negotiable certificates of deposit	\$ 6,522,272	\$ 3,540,310	\$ 2,981,962
Money market mutual funds	7,368,895	7,368,895	-
<b>Total Investments</b>	<b>\$ 13,891,167</b>	<b>\$ 10,909,205</b>	<b>\$ 2,981,962</b>

**Credit Risk**

The City’s investment policy states that the City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

1. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business.
2. Diversifying the portfolio so that potential losses on individual securities will be minimized.

**CITY OF DES PERES, MISSOURI**

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*Notes to Basic Financial Statements (Continued)*

At December 31, 2012, the City’s investments were rated by nationally recognized statistical rating organizations as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Rating</u>
Negotiable certificates of deposit	\$ 6,522,272	Not rated
Money market mutual funds	7,368,895	AAAm

**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 the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial risk by pre-qualifying institutions with which the City places investments, diversifying the investment portfolio and maintaining a standard of quality for 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 or by a single collateral pool established by the financial institution. The City’s policy requires a depository contract with each safekeeping bank that complies with the Financial Institutions Reform, Recovery and Enforcement Act of 1989. This will ensure the City’s security interest in collateral pledged to secure deposits is enforceable against the receiver of a failed institution.

**Concentration of Credit Risk**

According to the City’s investment policy, the City’s investments will be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of security. Investments in any one issuer (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) that represent 5% or more of the City’s total investments. At December 31, 2012, none of the City’s investments exceeded 5% of total investments.

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>	<u>% of Total Investments</u>
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There are no investments that are greater than 5% of the City's total investments

**CITY OF DES PERES, MISSOURI**

*Notes to Basic Financial Statements (Continued)*

**3. Capital Assets**

The following table summarizes the capital asset activity for the year ended December 31, 2012:

	<b>Balance, January 1, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance, December 31, 2012</b>
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 10,586,051	\$ -	\$ -	\$ 10,586,051
Construction in progress	205,524	95,785	199,204	102,105
<b>Total capital assets, not being depreciated</b>	<b>10,791,575</b>	<b>95,785</b>	<b>199,204</b>	<b>10,688,156</b>
<b>Capital assets, being depreciated:</b>				
Land improvements	844,409	138,496	-	982,905
Buildings	27,342,300	268,082	-	27,610,382
Vehicles	1,979,932	373,178	35,511	2,317,599
Furniture, fixtures and equipment	3,981,248	601,217	176,622	4,405,843
Infrastructure	13,472,088	1,344,416	-	14,816,504
<b>Total capital assets being depreciated</b>	<b>47,619,977</b>	<b>2,725,389</b>	<b>212,133</b>	<b>50,133,233</b>
Less accumulated depreciation for:				
Land improvements	70,685	32,650	-	103,335
Building	7,254,336	699,648	-	7,953,984
Vehicles	1,184,636	178,952	35,511	1,328,077
Furniture, fixtures and equipment	3,309,369	195,803	145,276	3,359,896
Infrastructure	8,020,424	289,195	-	8,309,619
<b>Total accumulated depreciation</b>	<b>19,839,450</b>	<b>1,396,248</b>	<b>180,787</b>	<b>21,054,911</b>
<b>Total capital assets being depreciated, net</b>	<b>27,780,527</b>	<b>1,329,141</b>	<b>31,346</b>	<b>29,078,322</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 38,572,102</b>	<b>\$ 1,424,926</b>	<b>\$ 230,550</b>	<b>\$ 39,766,478</b>

Depreciation was charged to the following functions for the year ended December 31, 2012:

<b>Governmental activities:</b>	
General government	\$ 87,132
Public safety	193,847
Streets	402,692
Parks and recreation	712,577
<b>Total depreciation expense - governmental activities</b>	<b>\$ 1,396,248</b>

**CITY OF DES PERES, MISSOURI**

*Notes to Basic Financial Statements (Continued)*

**4. Long-Term Debt**

Long-term debt consists of the following at December 31, 2012:

\$14,555,000 general obligation refunding bonds, Series 2005, due in annual installments through February 1, 2020, interest rates range from 5.25% to 5.375%	\$ 5,025,000
\$6,170,000 general obligation refunding bonds, Series 2010, due in annual installments through February 1, 2016, interest rates range from 2% to 3%	4,195,000
\$3,735,000 refunding certificates of participation, Series 2009, due in annual installments through August 1, 2016, interest rates range from 3% to 4%	1,985,000
\$40,115,000 tax increment revenue bonds, Series 2002, due April 15, 2020, interest rates ranging from 3.0% to 5.875%	6,490,000
	<u>\$ 17,695,000</u>

Changes in long-term debt are as follows:

	<b>Balance, January 1, 2012</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance, December 31, 2012</b>	<b>Amount Due Within One Year</b>
General obligation bonds	\$ 10,220,000	\$ -	\$ 1,000,000	\$ 9,220,000	\$ 1,020,000
Certificates of participation	2,445,000	-	460,000	1,985,000	470,000
Tax increment revenue bonds	14,510,000	-	8,020,000	6,490,000	6,490,000
Subtotal	27,175,000	-	9,480,000	17,695,000	7,980,000
Compensated absences	257,929	490,900	481,074	267,755	40,880
	<u>\$ 27,432,929</u>	<u>\$ 490,900</u>	<u>\$ 9,961,074</u>	17,962,755	<u>\$ 8,020,880</u>
Add: Unamortized premium on bonds				278,731	
Less: Deferred amount on refunding				<u>(290,240)</u>	
<b>Long-Term Liabilities - Governmental Activities</b>				<u>\$ 17,951,246</u>	

Compensated absences are generally paid by the fund in which employees are assigned. In prior years the General Fund and Park Fund have been used to liquidate the liability for compensated absences. General obligations bonds and Certificates of Participation are paid by the debt service fund. Tax increment revenue bonds are liquidated by the Special Allocation – West County Center Fund.

**CITY OF DES PERES, MISSOURI**

*Notes to Basic Financial Statements (Continued)*

**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 originally issued to finance various capital projects.

**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. During the fiscal year ended December 31, 2009, the City issued Refunding Certificates of Participation, Series 2009 to refund a portion of the Series 2002 certificates. The Series 2002 certificates were originally issued to construct a community recreation center.

The annual principal and interest requirements to maturity on long-term debt outstanding (other than tax incrementing financing bonds) as of December 31, 2012 are as follows:

For the Years Ending December 31,	2005 and 2010 GO		2009 Certificates		Total	
	Refunding					
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 1,020,000	\$ 355,112	\$ 470,000	\$ 67,200	\$ 1,490,000	\$ 422,312
2014	1,040,000	333,262	490,000	53,100	1,530,000	386,362
2015	1,060,000	309,687	505,000	38,400	1,565,000	348,087
2016	1,075,000	281,637	520,000	18,200	1,595,000	299,837
2017	1,150,000	235,325	-	-	1,150,000	235,325
2018-2020	3,875,000	316,657	-	-	3,875,000	316,657
	<u>\$ 9,220,000</u>	<u>\$ 1,831,680</u>	<u>\$ 1,985,000</u>	<u>\$ 176,900</u>	<u>\$ 11,205,000</u>	<u>\$ 2,008,580</u>

**Tax Increment Financing (TIF) Revenue Bonds**

On September 1, 2002, the City issued \$40,115,000 in Tax Increment Revenue Bonds to construct certain public improvements for the West County Center project, with interest rates ranging from 3% to 5.875%. Interest and principal on the bonds are to be paid annually with a final maturity date of April 15, 2020. The bonds and the interest thereon are special limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property, incremental increases in economic activity taxes in the project area, and monies on deposit in the Debt Service Reserve Fund. The bonds do not constitute a general obligation of the City.

Although not required, the City has accumulated sufficient funds to pay the entire remaining principal balance of these bonds in 2013. See footnote 12.

## CITY OF DES PERES, MISSOURI

### *Notes to Basic Financial Statements (Continued)*

#### **Reserve Requirements**

The Series 2002 Tax Increment Revenue Bonds have a debt service reserve restriction requirement in an amount equal to \$4,011,500. Authorized expenditures from the reserves include payments of principal and interest only when funds otherwise available for such purposes are insufficient to pay the same as they become due and payable. At December 31, 2012 funds held in the reserve fund of the Series 2002 Tax Increment Revenue Bonds were in compliance with the required reserve amount.

#### **Legal Debt Margin**

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. The computation is as follows:

Assessed valuation - 2011 tax year	\$ 399,721,043
Debt limit - 10% of assessed valuation	\$ 39,972,104
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	9,220,000
Less: Amount available in debt service fund	<u>(269,726)</u>
Bonded indebtedness applicable to debt limit	<u>8,950,274</u>
 Legal Debt Margin	 <u>\$ 31,021,830</u>

#### **5. Pension Plans**

##### **Money Purchase Plan**

In January 2000, the City enacted Ordinance No. 1989 which provided for the amendment and restatement of the City of Des Peres, Missouri Retirement Plan, a defined benefit plan, into the City of Des Peres, Missouri Money Purchase Pension Plan (the Plan), a defined contribution plan, effective January 1, 2000. The Plan is administered by ICMA Retirement Corporation.

The Plan receives contributions from the City, in accordance with City ordinances, in an amount equal to 7% of each participating employee's base pay. Vesting of employer contributions occurs after three years of service. All forfeited funds, if any, under the Plan are restricted for future Plan contributions and are included in restricted net position on the statement of net position.

The City's total contributions to the Plan totaled \$549,500 for the year ended December 31, 2012.

##### **Deferred Compensation Plan**

The City offers its employees a Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency. The City provides a matching contribution at a rate of \$.50 for each dollar an employee contributes to the City's Section 457 plan,

**CITY OF DES PERES, MISSOURI**

*Notes to Basic Financial Statements (Continued)*

with a maximum annual match of 2% of base pay. These matching contributions are part of the City of Des Peres, Missouri Money Purchase Plan and are subject to a separate five-year vesting period.

**6. Post Employment Health Care Benefits**

**Plan Description**

The City sponsors a Postretirement Welfare Benefit Plan (the “Plan”), which is a single-employer defined benefit healthcare plan administered by the City of Des Peres. A stand-alone financial report is not available for the Plan. The Plan covers all current retirees with medical coverage. Spouses are not included in the plan. The Plan provides up to three years of medical coverage for eligible retirees not yet eligible for Medicare. In order to be eligible, retirees must be at least age 60 with 25 years of service. Coverage ends at the earlier of age 65 or three years after coverage. Total cost to the City is limited to \$13,000 for the period of coverage.

As of January 1, 2012, the date of the latest actuarial valuation, membership consisted of 99 active employees and 1 retiree.

**Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements. As of December 31, 2012, no trust has been established for the funding of the plan’s post employment benefit obligation. Additional information is presented as required supplementary information, schedule of funding progress.

**Annual OPEB Cost and Net OPEB Obligation (Asset)**

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

Annual required contribution	\$ 8,254
Interest on net pension obligation	(436)
Adjustment to annual required contribution	771
Annual pension cost	<u>8,589</u>
Actual contributions	<u>(34,851)</u>
Increase in net pension obligation (asset)	(26,262)
Net pension asset, beginning of year	<u>(10,899)</u>
Net pension asset, end of year	<u><u>\$ (37,161)</u></u>

## CITY OF DES PERES, MISSOURI

### Notes to Basic Financial Statements (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation (asset) for 2012 and the two preceding years were as follows:

<b>Year Ended December 31,</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
2010	9,519	192.6%	(4,169)
2011	9,661	169.6%	(10,889)
2012	8,589	406.0%	(37,161)

### Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was not prefunded. The actuarial accrued liability for benefits was \$72,650, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$72,650. As of December 31, 2012, the covered payroll (annual payroll of active employees covered by the plan) was \$6.2 million, and the rate of the UAAL to the covered payroll was 1.17 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial liability for benefits.

### Actuarial Methods and Assumptions

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

In the January 1, 2012 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4 percent investment rate of return assuming the benefits are not prefunded. The discount rate is based on the expected earnings of the City's general fund. The healthcare trends used in the valuation are based on long term healthcare trends generated by health actuaries that reflect how the cost of medical benefits varies by age and gender. The health mortality is based on the RP 2000 Mortality Table. The healthcare cost trend rate begins at 11.0% in 2009 and scales down to an ultimate rate of 5.0% in 2020. The amortization period of the unfunded Actuarial Accrued Liability AAL is 20 years. The remaining amortization period at December 31, 2012 was 16 years. An inflation rate of assumption of 3.0% was used.

**CITY OF DES PERES, MISSOURI**

*Notes to Basic Financial Statements (Continued)*

**7. Interfund Transfers**

Individual fund transfers are as follows:

	Transfer From:					Total
	Major Governmental Funds			Nonmajor Governmental Funds		
	Special Allocation Fund	Park Fund	Capital Improvements Fund	Sewer Lateral Fund	Fire Sales Tax Fund	
<b>Transfer To:</b>						
Major Governmental Funds						
General Fund	\$ 14,900	\$ 5,700	\$ 5,800	\$ 15,000	\$ 1,080,850	\$ 1,122,250
Capital Improvements Fund	-	-	-	-	230,000	230,000
Debt Service Fund	-	1,515,000	100,000	-	-	1,615,000
<b>Total</b>	<b>\$ 14,900</b>	<b>\$ 1,520,700</b>	<b>\$ 105,800</b>	<b>\$ 15,000</b>	<b>\$ 1,310,850</b>	<b>\$ 2,967,250</b>

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget required to collect them to the fund that ordinance or budget requires to expend them, or 2) move revenues in excess of current year expenditures to other funds.

**8. Risk Management**

The City is a member of a multi-line self-insured pool (St. Louis Area Insurance Trust - SLAIT), which includes 27 municipalities in St. Louis County, each with professional management. The pool provides insurance coverage for workers' compensation, general liability, police liability, and auto liability. The pool also provides for group purchasing of individual policies for member cities for property coverage and public officials liability. SLAIT is governed by a 12-person Board of Trustees who has contracted with the firm of Daniel and Henry Company for its administration and consulting services. The pool retains certain levels of coverage using a self-insured retention created from member premiums and reinsures on both an individual stop loss and an aggregate annual stop loss with the General Reinsurance Company. Each policy year is segregated financially and dividends are paid to the member cities as all claims for each year are closed. During 2012, the City did not receive a dividend from SLAIT.

On July 1, 2009, the City joined a health insurance consortium of fourteen cities already participating in SLAIT's liability and worker's compensation insurance pool. By pooling with other municipalities for health insurance, the City has improved its buying power, eased its administrative burden and attempted to insulate itself from potentially high rate increases and large insurance claims. The City entered the health insurance pool for a minimum of three years with the option to renew at the end of the three years depending on the performance of the insurance pool and benefits to the City. The City pays monthly premiums (set at a pre-determined rate based on the pool's history of claims paid) to SLAIT for its health insurance coverage. SLAIT has stop-loss insurance for claims in excess of \$100,000 per claimant and an aggregate of 125% of expected annual losses. If contributions to the insurance pool produce a surplus, SLAIT has the authority to determine how the surplus of funds will be appropriated. If there is a deficit, members of the program are subject to an assessment.

## CITY OF DES PERES, MISSOURI

### *Notes to Basic Financial Statements (Continued)*

Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

In addition, to minimize the risk of sales tax interruption in the event of a natural disaster, fire or terrorism at the West County Shopping Center, Schnuck's Centre and Sam's Club, the City purchases commercial sales tax interruption insurance.

#### **9. Obligations Under Operating Lease Agreements**

The City leases equipment under certain operating lease agreements with terms in excess of one year. Total expenditures related to these leases were approximately \$50,000 for the year ended December 31, 2012. Annual aggregate lease payments remaining under the terms of the operating lease agreements as of December 31, 2012 are as follows:

Years Ending December 31,	Amount
2013	\$ 71,097
2014	87,061
2015	67,097
2016	31,924
2017	31,924
2018	15,960
Total	\$ 305,063

#### **10. Commitments and Contingencies**

##### **Litigation**

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed and determinable in amount. Various suits and claims against the City are presently pending. It is management's opinion that any liability resulting from pending suits in excess of insurance coverage will not have a material effect on the financial statements of the City.

##### **Federal Grants**

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

## CITY OF DES PERES, MISSOURI

### *Notes to Basic Financial Statements (Continued)*

#### **11. Recent Accounting Pronouncements**

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

In April, 2012, the GASB issued Statement No. 65, "Items Previously Reported as Assets and Liabilities." The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The requirements in this Statement are effective for periods beginning after December 15, 2012.

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

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

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

#### **12. Subsequent Events**

Subsequent to year end, the City utilized excess revenues from the tax increment finance district to early retire the balance of the outstanding Series 2002 Tax Increment Revenue Bonds, \$6,490,000 and officially closed the Tax Increment Finance District as of December 31, 2012.

In April of 2013, the City approved refunding the remaining \$5,025,000 outstanding balance of the General Obligation Refunding Bonds, Series 2005. The new bonds are Taxable General Obligation Refunding Bonds, Series 2013 with a AAA rating by Standard & Poor's Rating Services.

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**Required Supplementary Information**

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**CITY OF DES PERES, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**For The Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		Actual	Over (Under) Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
<b>Sales Tax And Use Taxes</b>	\$ 4,600,000	\$ 4,600,000	\$ 4,507,491	\$ (92,509)
<b>Utility Gross Receipts Tax</b>	1,306,600	1,306,600	1,159,484	(147,116)
<b>Intergovernmental</b>				
Gasoline tax	220,000	220,000	213,103	(6,897)
County road and bridge tax	403,000	403,000	375,208	(27,792)
Motor vehicle sales tax	54,400	54,400	52,158	(2,242)
Motor vehicle license fees	38,500	38,500	36,158	(2,342)
Cigarette tax	22,100	22,100	23,479	1,379
<b>Total Intergovernmental</b>	<b>738,000</b>	<b>738,000</b>	<b>700,106</b>	<b>(37,894)</b>
<b>Licenses</b>				
Merchant and vending	1,150,500	1,150,500	1,155,042	4,542
Liquor	15,100	15,100	14,798	(302)
<b>Total Licenses</b>	<b>1,165,600</b>	<b>1,165,600</b>	<b>1,169,840</b>	<b>4,240</b>
<b>Fees And Permits</b>				
Ambulance fees	190,000	190,000	131,426	(58,574)
Court fines	350,000	350,000	393,598	43,598
Building, occupancy, and sign permits	165,000	165,000	134,351	(30,649)
Zoning and public improvements fees	5,000	5,000	6,487	1,487
Board of adjustment fees	2,500	2,500	2,950	450
Fire permits	22,500	22,500	9,659	(12,841)
<b>Total Fees And Permits</b>	<b>735,000</b>	<b>735,000</b>	<b>678,471</b>	<b>(56,529)</b>
<b>Investment Income</b>	<b>40,000</b>	<b>40,000</b>	<b>38,872</b>	<b>(1,128)</b>
<b>Miscellaneous</b>				
Contracts and grants	117,500	117,500	141,273	23,773
Other	10,000	10,000	56,000	46,000
<b>Total Miscellaneous</b>	<b>127,500</b>	<b>127,500</b>	<b>197,273</b>	<b>69,773</b>
<b>Total Revenues</b>	<b>8,712,700</b>	<b>8,712,700</b>	<b>8,451,537</b>	<b>(261,163)</b>

*(continued)*

**CITY OF DES PERES, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**For The Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u> <u>Budget</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>		
<b>Expenditures</b>				
<b>General Government</b>				
Board and commissions:				
Personnel services	54,750	54,750	51,893	(2,857)
Materials and supplies	1,525	1,525	1,045	(480)
Contractual services	82,510	85,060	72,779	(12,281)
Administration:				
Personnel services	308,785	314,585	304,425	(10,160)
Materials and supplies	1,800	1,800	1,821	21
Contractual services	16,215	16,215	16,024	(191)
Law:				
Personnel services	183,480	183,480	173,643	(9,837)
Materials and supplies	100	100	72	(28)
Contractual services	85,810	89,810	83,191	(6,619)
Finance:				
Personnel services	263,990	263,990	252,128	(11,862)
Materials and supplies	150	150	129	(21)
Contractual services	104,210	118,210	109,141	(9,069)
Government center:				
Personnel services	125,445	126,195	124,297	(1,898)
Materials and supplies	26,900	31,900	30,997	(903)
Contractual services	246,250	250,250	221,498	(28,752)
<b>Total General Government</b>	<b>1,501,920</b>	<b>1,538,020</b>	<b>1,443,083</b>	<b>(94,937)</b>
<b>Public Safety</b>				
Personnel services	5,021,310	5,063,560	4,904,090	(159,470)
Materials and supplies	158,790	158,790	130,700	(28,090)
Contractual services	521,115	527,115	459,068	(68,047)
<b>Total Public Safety</b>	<b>5,701,215</b>	<b>5,749,465</b>	<b>5,493,858</b>	<b>(255,607)</b>
<b>Public Works</b>				
Personnel services	353,010	358,510	357,952	(558)
Materials and supplies	5,500	5,500	4,566	(934)
Contractual services	13,615	69,035	63,536	(5,499)
<b>Total Public Works</b>	<b>372,125</b>	<b>433,045</b>	<b>426,054</b>	<b>(6,991)</b>
<b>Streets</b>				
Personnel services	602,155	612,155	572,838	(39,317)
Materials and supplies	191,140	191,140	172,065	(19,075)
Contractual services	85,680	85,680	76,045	(9,635)
<b>Total Streets</b>	<b>878,975</b>	<b>888,975</b>	<b>820,948</b>	<b>(68,027)</b>

*(continued)*

**CITY OF DES PERES, MISSOURI**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**For The Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u> <u>Budget</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>		
<b>Expenditures (Continued)</b>				
<b>Parks And Recreation</b>				
Park Maintenance:				
Personnel services	514,430	518,430	505,048	(13,382)
Materials and supplies	72,100	91,100	93,445	2,345
Contractual services	78,310	79,310	68,801	(10,509)
<b>Total Parks And Recreation</b>	<u>664,840</u>	<u>688,840</u>	<u>667,294</u>	<u>(21,546)</u>
<b>Health - Contractual Services</b>	696,225	696,225	689,580	(6,645)
<b>Total Expenditures</b>	<u>9,815,300</u>	<u>9,994,570</u>	<u>9,540,817</u>	<u>(453,753)</u>
<b>Revenues Under Expenditures</b>	(1,102,600)	(1,281,870)	(1,089,280)	192,590
<b>Other Financing Sources</b>				
Transfers in	1,104,000	1,122,250	1,122,250	-
<b>Net Change In Fund Balance</b>	<u>\$ 1,400</u>	<u>\$ (159,620)</u>	<u>32,970</u>	<u>\$ 192,590</u>
<b>Fund Balance - Beginning Of Year</b>			<u>5,668,917</u>	
<b>Fund Balance - End Of Year</b>			<u>\$ 5,701,887</u>	

**CITY OF DES PERES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SPECIAL REVENUE -  
SPECIAL ALLOCATION FUND - WEST COUNTY CENTER FUND  
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 7,650,000	\$ 7,650,000	\$ 4,276,476	\$ (3,373,524)
Utility gross receipts tax	24,000	24,000	23,103	(897)
Investment income	200,000	200,000	695	(199,305)
<b>Total Revenues</b>	<b>7,874,000</b>	<b>7,874,000</b>	<b>4,300,274</b>	<b>(3,573,726)</b>
<b>Expenditures</b>				
Current:				
Payments to other taxing jurisdictions	1,100,000	1,175,475	1,175,494	19
Debt service:				
Principal retirement	5,170,000	8,020,000	8,020,000	-
Interest and fiscal charges	772,053	775,053	687,073	(87,980)
<b>Total Expenditures</b>	<b>7,042,053</b>	<b>9,970,528</b>	<b>9,882,567</b>	<b>(87,961)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>831,947</b>	<b>(2,096,528)</b>	<b>(5,582,293)</b>	<b>(3,485,765)</b>
<b>Other Financing Uses</b>				
Transfers out	-	(14,900)	(14,900)	-
<b>Net Change In Fund Balance</b>	<b>\$ 831,947</b>	<b>\$ (2,111,428)</b>	<b>(5,597,193)</b>	<b>\$ (3,485,765)</b>
<b>Fund Balance - Beginning Of Year</b>			<b>13,663,876</b>	
<b>Fund Balance - End Of Year</b>			<b>\$ 8,066,683</b>	

**CITY OF DES PERES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SPECIAL REVENUE - PARK FUND**

**For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 2,100,000	\$ 2,175,000	\$ 2,361,206	\$ 186,206
Fees and permits	3,096,500	3,178,000	3,217,632	39,632
Investment income	45,000	50,000	30,131	(19,869)
Miscellaneous	7,000	22,000	16,359	(5,641)
<b>Total Revenues</b>	<b>5,248,500</b>	<b>5,425,000</b>	<b>5,625,328</b>	<b>200,328</b>
<b>Expenditures</b>				
Current:				
Parks and recreation	3,896,625	3,924,125	3,519,770	(404,355)
<b>Revenues Over Expenditures</b>	<b>1,351,875</b>	<b>1,500,875</b>	<b>2,105,558</b>	<b>604,683</b>
<b>Other Financing Uses</b>				
Transfers out	(1,519,350)	(1,520,700)	(1,520,700)	-
<b>Net Change In Fund Balance</b>	<b>\$ (167,475)</b>	<b>\$ (19,825)</b>	<b>584,858</b>	<b>\$ 604,683</b>
<b>Fund Balance - Beginning Of Year</b>			<u>2,942,361</u>	
<b>Fund Balance - End Of Year</b>			<u>\$ 3,527,219</u>	

**CITY OF DES PERES, MISSOURI**

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**NOTES TO BUDGETARY COMPARISON INFORMATION**

**December 31, 2012**

**Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data for the governmental fund types reflected in the financial statements:

- a. Prior to September 15, the City Administrator submits to the Audit and Finance Committee a proposed operating budget for the fiscal year commencing on January 1. The operating budget includes proposed expenditures and the means of financing them. The City prepares its budget for all governmental fund types on a modified accrual basis of accounting.
- b. Following review by the Mayor and Board of Aldermen, public hearings are held on the budget in late November and early December.
- c. Prior to January 1, the budget is legally enacted by passage of salary ordinances and an adopting resolution.
- d. Transfers of budgeted amounts between departments within the same fund are made by the City Administrator and approved by the Board of Aldermen.
- e. Current year budget includes amendments. Although not required, amendments to the budget for changes of expenditures by object class are approved periodically throughout the year by the Board of Aldermen. Although not required by City Ordinance, City policy dictates that department appropriations may not be exceeded without supplemental appropriation or transfer. Expenditures may not legally exceed appropriations at the department level in the General Fund or at the fund level for all other funds as they are not departmentalized. At the end of the fiscal year, all unexpended appropriated balances lapse.

Actual expenditures exceeded budgeted expenditures in the Sewer Lateral Fund.

**CITY OF DES PERES, MISSOURI**  
**SCHEDULE OF FUNDING PROGRESS –**  
**OTHER POST EMPLOYMENT BENEFIT PLAN**  
**December 31, 2012**

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

<b>Fiscal Year</b>	<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability</b>	<b>(b-a) Unfunded Actuarial Liability (UAAL)</b>	<b>(a/b) Funded Ratio</b>	<b>(c) Covered Payroll</b>	<b>((b-a)/c) UAAL as a Percentage of Covered Payroll</b>
2010	1/1/09	\$ -	\$ 88,253	\$ 88,253	0.0%	\$ 7,025,123	1.26%
2011	1/1/09	-	88,253	88,253	0.0%	7,318,229	1.21%
2012	1/1/12	-	72,650	72,650	0.0%	6,197,498	1.17%

Note: The results shown above are based on plan provisions and long-term assumptions and methods summarized in Note 6.

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**Supplementary Information**

**Combining and Individual Fund  
Financial Statements and Schedules**

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## CITY OF DES PERES, MISSOURI

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### NONMAJOR GOVERNMENTAL FUNDS

#### SPECIAL REVENUE FUNDS

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

**Sewer Lateral Fund** - This fund is used to account for revenues to be used for repair and maintenance of sewer lateral systems.

**Fire Sales Tax Fund** - This fund is used to account for the 1/4% sales tax collected to support fire prevention and operations.

**CITY OF DES PERES, MISSOURI**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2012**

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Sewer Lateral Fund</u>	<u>Fire Sales Tax Fund</u>	
<b>Assets</b>			
Cash and investments	\$ 192,018	\$ 675,698	\$ 867,716
Receivables:			
Taxes	-	273,979	273,979
Interest	-	779	779
Other	24,672	-	24,672
<b>Total Assets</b>	<b>\$ 216,690</b>	<b>\$ 950,456</b>	<b>\$ 1,167,146</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 2,600	\$ -	\$ 2,600
<b>Fund Balances</b>			
Restricted for:			
Sewer lateral program	214,090	-	214,090
Fire prevention and operations	-	950,456	950,456
<b>Total Fund Balances</b>	<b>214,090</b>	<b>950,456</b>	<b>1,164,546</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 216,690</b>	<b>\$ 950,456</b>	<b>\$ 1,167,146</b>

**CITY OF DES PERES, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -  
NONMAJOR GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2012**

	<u>Special Revenue Funds</u>		
	<u>Sewer</u>		
	<u>Lateral</u>	<u>Fire Sales</u>	
	<u>Fund</u>	<u>Tax Fund</u>	<u>Total</u>
<b>Revenues</b>			
Taxes	\$ -	\$ 1,180,460	\$ 1,180,460
Investment income	-	11,154	11,154
Miscellaneous	94,187	-	94,187
<b>Total Revenues</b>	<b>94,187</b>	<b>1,191,614</b>	<b>1,285,801</b>
<b>Expenditures</b>			
Current:			
Public works	84,467	-	84,467
<b>Revenues Over Expenditures</b>	<b>9,720</b>	<b>1,191,614</b>	<b>1,201,334</b>
<b>Other Financing Uses</b>			
Transfers out	(15,000)	(1,310,850)	(1,325,850)
<b>Net Change In Fund Balance</b>	<b>(5,280)</b>	<b>(119,236)</b>	<b>(124,516)</b>
<b>Fund Balance - Beginning Of Year</b>	<b>219,370</b>	<b>1,069,692</b>	<b>1,289,062</b>
<b>Fund Balance - End Of Year</b>	<b>\$ 214,090</b>	<b>\$ 950,456</b>	<b>\$ 1,164,546</b>

**CITY OF DES PERES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SPECIAL REVENUE -  
SEWER LATERAL FUND  
For The Year Ended December 31, 2012**

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Revenues</b>			
Miscellaneous	\$ 94,000	\$ 94,187	\$ 187
<b>Expenditures</b>			
Current:			
Public works	79,000	84,467	5,467
<b>Revenues Over Expenditures</b>	15,000	9,720	(5,280)
<b>Other Financing Uses</b>			
Transfers out	(15,000)	(15,000)	-
<b>Net Change In Fund Balance</b>	<u>\$ -</u>	<u>(5,280)</u>	<u>\$ (5,280)</u>
<b>Fund Balance - Beginning Of Year</b>		<u>219,370</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 214,090</u>	

CITY OF DES PERES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SPECIAL REVENUE -  
FIRE SALES TAX FUND  
For The Year Ended December 31, 2012

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,065,000	\$ 1,065,000	\$ 1,180,460	\$ 115,460
Investment income	15,000	15,000	11,154	(3,846)
<b>Total Revenues</b>	<b>1,080,000</b>	<b>1,080,000</b>	<b>1,191,614</b>	<b>111,614</b>
<b>Other Financing Uses</b>				
Transfers out	(1,310,850)	(1,310,850)	(1,310,850)	-
<b>Net Change In Fund Balance</b>	<b>\$ (230,850)</b>	<b>\$ (230,850)</b>	<b>(119,236)</b>	<b>\$ 111,614</b>
<b>Fund Balance - Beginning Of Year</b>			<u>1,069,692</u>	
<b>Fund Balance - End Of Year</b>			<u>\$ 950,456</u>	

## CITY OF DES PERES, MISSOURI

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### MAJOR GOVERNMENTAL FUNDS - BUDGETARY INFORMATION

#### DEBT SERVICE FUND

Debt Service Funds are used to account for the accumulation of resources for, and the payment of long-term debt, principal, interest and related costs on long-term debt.

**Debt Service Fund** - This fund is used to account for the accumulation of resources for, and the payment of, general obligation and certificates of participation long-term debt principal, interest and related costs.

#### CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets and all other capital outlay.

**Capital Improvements Fund** – This fund is used to account for the accumulation of resources, primarily from a 1/2¢ capital improvement sales tax, for the acquisition or construction of major capital items.

**CITY OF DES PERES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>Revenues</b>				
Investment income	\$ 7,160	\$ 7,160	\$ 1,395	\$ (5,765)
<b>Total Revenues</b>	<b>7,160</b>	<b>7,160</b>	<b>1,395</b>	<b>(5,765)</b>
<b>Expenditures</b>				
Debt service:				
Principal retirement	1,460,000	1,460,000	1,460,000	-
Interest and fiscal charges	466,312	466,312	458,977	(7,335)
<b>Total Expenditures</b>	<b>1,926,312</b>	<b>1,926,312</b>	<b>1,918,977</b>	<b>(7,335)</b>
<b>Revenues Under Expenditures</b>	<b>(1,919,152)</b>	<b>(1,919,152)</b>	<b>(1,917,582)</b>	<b>1,570</b>
<b>Other Financing Sources</b>				
Transfers in	1,615,000	1,615,000	1,615,000	-
<b>Total Other Financing Sources</b>	<b>1,615,000</b>	<b>1,615,000</b>	<b>1,615,000</b>	<b>-</b>
<b>Net Change In Fund Balance</b>	<b>\$ (304,152)</b>	<b>\$ (304,152)</b>	<b>(302,582)</b>	<b>\$ 1,570</b>
<b>Fund Balance - Beginning Of Year</b>			<u>572,309</u>	
<b>Fund Balance - End Of Year</b>			<u>\$ 269,727</u>	

**CITY OF DES PERES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
CAPITAL PROJECTS - CAPITAL IMPROVEMENTS FUND  
For The Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 2,020,000	\$ 2,020,000	\$ 2,155,753	\$ 135,753
Intergovernmental	768,000	918,000	794,836	(123,164)
Investment income	12,500	12,500	18,714	6,214
Miscellaneous	40,000	40,000	92,010	52,010
<b>Total Revenues</b>	<b>2,840,500</b>	<b>2,990,500</b>	<b>3,061,313</b>	<b>70,813</b>
<b>Expenditures</b>				
Capital outlay:				
General government	342,890	357,890	218,454	(139,436)
Public safety	473,350	488,850	455,642	(33,208)
Public works	-	-	-	-
Streets	1,530,500	1,575,000	1,423,244	(151,756)
Parks and recreation	594,170	925,170	834,039	(91,131)
<b>Total Expenditures</b>	<b>2,940,910</b>	<b>3,346,910</b>	<b>2,931,379</b>	<b>(415,531)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(100,410)</b>	<b>(356,410)</b>	<b>129,934</b>	<b>486,344</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	230,000	230,000	230,000	-
Transfers out	(105,000)	(105,800)	(105,800)	-
Proceeds from disposal of assets	15,000	15,000	17,000	2,000
<b>Total Other Financing Sources (Uses)</b>	<b>140,000</b>	<b>139,200</b>	<b>141,200</b>	<b>2,000</b>
<b>Net Change In Fund Balance</b>	<b>\$ 39,590</b>	<b>\$ (217,210)</b>	<b>271,134</b>	<b>\$ 488,344</b>
<b>Fund Balance - Beginning Of Year</b>			<u>2,213,265</u>	
<b>Fund Balance - End Of Year</b>			<u>\$ 2,484,399</u>	

CITY OF DES PERES, MISSOURI

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

-AGENCY FUND-

MUNICIPAL PARTNERS FOR INCLUSIVE RECREATION

For The Year Ended December 31, 2012

	Balance				Balance	
	January 1, 2012	Additions	Deductions		December 31, 2012	
<b>Assets</b>						
Cash	\$ 31,551	\$ 80,718	\$ 84,715	\$	27,554	
<b>Total Assets</b>	<u>\$ 31,551</u>	<u>\$ 80,718</u>	<u>\$ 84,715</u>	<u>\$</u>	<u>27,554</u>	
<b>Liabilities</b>						
Accounts Payable	\$ 54	\$ 84,661	\$ 84,715	\$	-	
Held for others - MPIR	31,497	80,718	84,661		27,554	
<b>Total Liabilities</b>	<u>\$ 31,551</u>	<u>\$ 165,379</u>	<u>\$ 169,376</u>	<u>\$</u>	<u>27,554</u>	

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**Statistical Section**

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## Statistical Section

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This part of the City’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

<b>Financial Trends .....</b>	<b>55 - 58</b>
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b>Revenue Capacity.....</b>	<b>59 - 62</b>
These schedules contain information to help the reader assess the City’s most significant local revenue sources.	
<b>Debt Capacity .....</b>	<b>63 - 67</b>
These schedules 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.	
<b>Demographic and Economic Information .....</b>	<b>68 - 69</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b>Operating Information .....</b>	<b>70 - 72</b>
These schedules 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.	

**CITY OF DES PERES, MISSOURI**  
**NET POSITION BY COMPONENT<sup>(1)(2)</sup>**  
**LAST NINE FISCAL YEARS**

Function	Year Ended December 31,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:									
Net investment in									
capital assets	\$ 14,428,482	\$ 14,558,055	\$ 15,239,229	\$ 17,504,073	\$ 19,516,558	\$ 21,809,374	\$ 23,688,003	\$ 25,893,067	\$ 28,572,988
Restricted	10,382,946	11,345,400	12,232,047	12,384,897	12,284,976	13,986,792	16,915,318	16,715,040	11,346,853
Unrestricted	(36,387,212)	(31,880,266)	(27,427,163)	(23,323,217)	(19,861,642)	(16,152,394)	(12,129,949)	(5,351,242)	3,006,044
	\$ (11,575,784)	\$ (5,976,811)	\$ 44,113	\$ 6,565,753	\$ 11,939,892	\$ 19,643,772	\$ 28,473,372	\$ 37,256,865	\$ 42,925,885

Note:

- (1) GASB Statement 34 was implemented in 2004.
- (2) GASB Statement 63 was implemented in 2012.

Source: Basic financial statements

**CITY OF DES PERES, MISSOURI**

**CHANGES IN NET POSITION<sup>(1)(2)</sup>**

**LAST NINE FISCAL YEARS**

	Year Ended December 31,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>EXPENSES</b>									
Primary Government									
Governmental activities:									
General government	\$ 1,106,333	\$ 1,146,285	\$ 1,382,122	\$ 1,697,363	\$ 1,764,014	\$ 1,808,969	\$ 2,160,549	\$ 2,630,766	\$ 2,798,859
Public safety	4,351,139	4,509,420	4,679,762	4,914,165	5,395,427	5,212,814	5,468,067	5,670,664	5,782,299
Public works	315,508	314,942	323,408	367,052	379,058	395,708	394,399	484,431	510,521
Streets	922,947	985,048	895,483	1,026,139	1,104,558	1,109,000	1,142,059	1,135,172	1,241,021
Parks and recreation	3,868,855	4,114,178	4,380,856	4,458,609	4,855,252	4,563,981	4,771,400	4,924,608	5,001,826
Health	513,452	516,770	527,638	539,531	607,080	637,706	668,964	693,659	689,580
Interest on long-term debt	3,102,058	3,397,957	3,400,120	3,499,618	3,308,578	2,708,747	1,762,149	1,449,724	1,032,522
<b>Total primary government expenses</b>	<b>14,180,292</b>	<b>14,984,600</b>	<b>15,589,389</b>	<b>16,502,477</b>	<b>17,413,967</b>	<b>16,436,925</b>	<b>16,367,587</b>	<b>16,989,024</b>	<b>17,056,628</b>
<b>PROGRAM REVENUES</b>									
Primary Government									
Governmental activities:									
Charges for services:									
General government	1,009,665	1,068,426	907,564	1,276,262	1,343,209	1,446,759	1,174,370	1,260,220	1,296,357
Public safety	125,928	130,628	412,619	443,325	524,315	475,010	563,889	538,883	534,683
Public works	106,415	172,170	235,004	209,133	253,387	95,587	74,927	260,284	232,282
Parks and recreation	2,070,160	2,593,144	2,929,021	3,052,916	3,056,027	2,935,414	3,098,239	3,233,866	3,217,928
Operating grants and contributions	744,037	690,972	771,644	69,574	-	-	770,932	753,591	712,205
Capital grants and contributions	-	232,515	47,506	13,530	9,696	596,660	424,690	463,468	794,835
<b>Total primary government program revenues</b>	<b>4,056,205</b>	<b>4,887,855</b>	<b>5,303,358</b>	<b>5,064,740</b>	<b>5,186,634</b>	<b>5,549,430</b>	<b>6,107,047</b>	<b>6,510,312</b>	<b>6,788,290</b>
<b>General Revenues and Other Changes in Net Position</b>									
Primary Government									
Governmental activities:									
Taxes:									
Sales tax	11,242,447	12,118,497	12,409,770	12,765,520	12,808,569	13,372,985	9,537,367	9,655,565	10,204,911
Tax increment financing	1,141,801	2,341,435	2,387,945	2,654,304	2,185,897	2,513,350	7,614,576	7,952,159	4,299,579
Utility tax	830,038	846,295	870,934	1,063,243	1,274,473	1,309,723	1,206,117	1,238,184	1,159,484
Investment income	141,064	305,596	435,196	804,368	601,493	346,463	478,189	218,151	100,961
Miscellaneous	125,185	83,895	203,110	671,942	731,040	589,008	253,891	198,146	172,423
<b>Total primary government</b>	<b>13,480,535</b>	<b>15,695,718</b>	<b>16,306,955</b>	<b>17,959,377</b>	<b>17,601,472</b>	<b>18,131,529</b>	<b>19,090,140</b>	<b>19,262,205</b>	<b>15,937,358</b>
<b>Net Revenue (Expense)</b>									
<b>Total primary government</b>	<b>\$ 3,356,448</b>	<b>\$ 5,598,973</b>	<b>\$ 6,020,924</b>	<b>\$ 6,521,640</b>	<b>\$ 5,374,139</b>	<b>\$ 7,244,034</b>	<b>\$ 8,829,600</b>	<b>\$ 8,783,493</b>	<b>\$ 5,669,020</b>

Notes:

(1) GASB Statement 34 was implemented in 2004.

(2) GASB Statement 63 was implemented in 2012.

Source: Basic financial statements

**CITY OF DES PERES, MISSOURI**  
**FUND BALANCES, GOVERNMENTAL FUNDS<sup>(1)(4)</sup>**  
**LAST NINE FISCAL YEARS<sup>(2)</sup>**

Year Ended December 31,

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>									
Reserved	\$ 147,059	\$ 210,938	\$ 250,145	\$ 132,109	\$ 76,944	\$ 84,550	\$ 68,314	\$ -	\$ -
Unreserved	2,433,991	3,001,730	4,261,995	4,751,694	4,758,774	5,099,914	5,150,235	-	-
Nonspendable	-	-	-	-	-	-	-	214,089	234,915
Unassigned	-	-	-	-	-	-	-	5,454,828	5,466,972
<b>Total General Fund</b>	<b>\$ 2,581,050</b>	<b>\$ 3,212,668</b>	<b>\$ 4,512,140</b>	<b>\$ 4,883,803</b>	<b>\$ 4,835,718</b>	<b>\$ 5,184,464</b>	<b>\$ 5,218,549</b>	<b>\$ 5,668,917</b>	<b>\$ 5,701,887</b>
<b>All Other Governmental Funds</b>									
Reserved	\$ 847,791	\$ 6,182,260	\$ 6,915,068	\$ 6,853,727	\$ 7,685,690	\$ 7,144,263	\$ 7,757,319	\$ -	\$ -
Unreserved, reported in:									
Special Revenue Funds <sup>(1)</sup>	8,079,254	5,188,927	6,044,823	7,326,493	7,456,962	8,691,022	9,838,687	-	-
Capital Projects Funds	1,403,716	1,866,573	2,044,652	1,609,204	978,202	1,935,598	2,358,723	-	-
Debt Service Funds <sup>(3)</sup>	-	-	-	-	-	-	263,962	-	-
Restricted for:									
Capital Projects Fund	-	-	-	-	-	-	-	1,977,852	2,224,468
Sewer Lateral Program	-	-	-	-	-	-	-	219,370	214,090
Fire Prevention & Operations	-	-	-	-	-	-	-	1,069,692	950,456
TIF Projects & Debt Obligations	-	-	-	-	-	-	-	13,663,876	8,066,683
Committed for:									
Infrastructure	-	-	-	-	-	-	-	211,379	235,897
Tree Replacement	-	-	-	-	-	-	-	24,034	24,034
Assigned for:									
Park Fund	-	-	-	-	-	-	-	2,942,361	3,527,219
Debt Service Fund	-	-	-	-	-	-	-	572,309	269,727
<b>Total All Other Governmental Funds</b>	<b>\$ 10,330,761</b>	<b>\$ 13,237,760</b>	<b>\$ 15,004,543</b>	<b>\$ 15,789,424</b>	<b>\$ 16,120,854</b>	<b>\$ 17,770,883</b>	<b>\$ 20,218,691</b>	<b>\$ 20,680,873</b>	<b>\$ 15,512,574</b>

Notes:

- (1) Moved Special Allocation Fund - West County Center Fund to Reserved in 2005.
- (2) Only nine years of governmental fund balance data was obtained and reported.
- (3) Moved Debt Service Fund to Unreserved in 2010.
- (4) GASB 54 implemented in 2011.

Source: Basic financial statements

**CITY OF DES PERES, MISSOURI**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST NINE YEARS<sup>(1)</sup>**

	Year Ended December 31,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>									
Taxes	\$ 12,276,332	\$ 14,479,073	\$ 14,797,715	\$ 15,419,824	\$ 14,994,465	\$ 15,886,335	\$ 17,128,517	\$ 17,582,735	\$ 14,481,386
Utility gross receipts tax	810,520	827,155	870,934	1,063,243	1,274,473	1,309,723	1,229,544	1,263,174	1,182,587
Intergovernmental	722,520	679,330	780,093	767,063	752,707	725,401	726,853	1,201,306	1,494,942
Licenses	712,988	785,183	875,658	952,523	984,522	998,816	1,055,107	1,122,974	1,169,840
Fees and permits	2,166,293	2,692,768	3,069,866	3,168,336	3,309,414	3,031,001	3,725,160	3,977,334	3,896,103
Investment income	141,064	305,596	435,196	804,368	601,494	346,463	478,186	218,151	100,961
Miscellaneous	745,814	814,467	780,851	848,760	871,031	1,383,220	853,819	406,843	399,829
<b>Total Revenues</b>	<b>17,575,531</b>	<b>20,583,572</b>	<b>21,610,313</b>	<b>23,024,117</b>	<b>22,788,106</b>	<b>23,680,959</b>	<b>25,197,186</b>	<b>25,772,517</b>	<b>22,725,648</b>
<b>Expenditures</b>									
Current:									
General government	1,019,893	1,017,396	1,063,361	1,207,845	1,175,684	1,227,046	2,015,405	2,432,684	2,618,577
Public safety	4,094,630	4,287,293	4,458,351	4,711,803	4,931,472	5,001,690	5,146,973	5,319,019	5,493,858
Public works	316,857	309,242	323,408	367,052	379,058	395,708	396,190	428,177	510,521
Streets	600,853	584,876	594,400	713,339	770,624	766,156	798,893	815,524	820,948
Parks and recreation	2,953,246	3,303,788	3,619,151	3,735,649	3,924,021	3,935,233	3,958,543	4,057,073	4,187,064
Health	513,452	516,770	527,638	539,531	607,080	637,706	668,964	669,611	689,580
Capital outlay	1,799,414	1,391,835	1,887,317	1,841,814	2,185,996	1,775,059	2,146,280	2,597,146	2,931,379
Debt service:									
Principal retirement	2,540,000	2,170,000	2,675,000	5,225,000	5,160,000	4,445,000	5,780,000	7,080,000	9,480,000
Interest and fiscal charges	3,120,597	3,463,755	3,395,432	3,525,540	3,370,826	2,775,708	1,839,837	1,476,470	1,146,050
Bond issuance costs	-	339,905	-	-	-	79,521	72,357	-	-
<b>Total Expenditures</b>	<b>16,958,942</b>	<b>17,384,860</b>	<b>18,544,058</b>	<b>21,867,573</b>	<b>22,504,761</b>	<b>21,038,827</b>	<b>22,823,442</b>	<b>24,875,704</b>	<b>27,877,977</b>
<b>Revenues Over Expenditures</b>	<b>616,589</b>	<b>3,198,712</b>	<b>3,066,255</b>	<b>1,156,544</b>	<b>283,345</b>	<b>2,642,132</b>	<b>2,373,744</b>	<b>896,813</b>	<b>(5,152,329)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	5,129,734	1,971,098	2,495,874	4,351,150	4,112,575	3,123,950	3,391,580	3,436,895	2,967,250
Transfers out	(5,129,734)	(1,971,098)	(2,495,874)	(4,351,150)	(4,112,575)	(3,123,950)	(3,391,580)	(3,436,895)	(2,967,250)
Proceeds from disposal of assets	-	-	-	-	-	-	18,376	15,737	17,000
Premium from refunding debt	-	586,898	-	-	-	122,062	184,773	-	-
Issuance of refunding debt	-	14,555,000	-	-	-	3,735,000	6,170,000	-	-
Payments to refunding escrow agent/ current refunding	-	(14,801,993)	-	-	-	(4,500,419)	(6,265,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>339,905</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(643,357)</b>	<b>108,149</b>	<b>15,737</b>	<b>17,000</b>
<b>Net Change In Fund Balances</b>	<b>616,589</b>	<b>3,538,617</b>	<b>3,066,255</b>	<b>1,156,544</b>	<b>283,345</b>	<b>1,998,775</b>	<b>2,481,893</b>	<b>912,550</b>	<b>(5,135,329)</b>
<b>Fund Balances -</b>									
<b>Beginning of Year</b>	<b>12,295,222</b>	<b>12,911,811</b>	<b>16,450,428</b>	<b>19,516,683</b>	<b>20,673,227</b>	<b>20,956,572</b>	<b>22,955,347</b>	<b>25,437,240</b>	<b>26,349,790</b>
<b>Fund Balances - End of Year</b>	<b>\$ 12,911,811</b>	<b>\$ 16,450,428</b>	<b>\$ 19,516,683</b>	<b>\$ 20,673,227</b>	<b>\$ 20,956,572</b>	<b>\$ 22,955,347</b>	<b>\$ 25,437,240</b>	<b>\$ 26,349,790</b>	<b>\$ 21,214,461</b>
<b>Debt Service As A Percentage</b>									
<b>of Noncapital Expenditures</b>	<b>36.5%</b>	<b>36.8%</b>	<b>35.9%</b>	<b>42.9%</b>	<b>41.0%</b>	<b>37.9%</b>	<b>36.3%</b>	<b>37.6%</b>	<b>42.6%</b>

Note:

(1) Only nine years of governmental changes in fund balance data was obtained and reported.

Source: Basic financial statements

**CITY OF DES PERES, MISSOURI**

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

Fiscal Year	Real Property			Personal Property	Railroad And Utilities	Total Taxable		Total Direct Tax Rate <sup>(2)</sup>
	Residential Property	Commercial Property	Agricultural Property			Assessed Value	Estimated Actual Value	
2003*	158,538,480	90,702,920	157,180	52,924,819	2,558,773	304,882,172	1,278,102,901	-
2004	160,783,420	97,006,370	159,810	62,137,550	2,777,652	322,864,802	1,337,304,431	-
2005* <sup>(1)</sup>	189,312,979	112,957,590	180,690	52,759,591	-	355,210,850	1,509,319,529	-
2006	189,249,130	112,752,310	172,970	51,716,400	-	353,890,810	1,505,144,944	-
2007*	229,495,930	129,271,790	195,010	51,297,530	-	410,260,260	1,767,519,380	-
2008	231,827,150	131,565,860	195,010	47,612,880	-	411,200,900	1,775,892,913	-
2009*	216,132,090	131,934,887	230,720	44,888,328	-	393,186,025	1,686,556,289	-
2010	219,394,360	141,047,477	230,720	42,741,871	-	403,414,428	1,725,757,158	-
2011*	213,743,650	144,475,502	222,550	41,230,036	-	399,671,738	1,702,121,028	-
2012	213,890,040	144,160,760	222,550	41,447,693	-	399,721,043	1,702,561,558	-

Notes:

\* Reassessment years

Assessments are determined by the Assessor of St. Louis County. Property is assessed as of January 1.

Assessments are based on a percentage of estimated actual values. Real property is classified as residential, commercial or agricultural.

Residential property is assessed at 19%, commercial is assessed at 32%, and agricultural is assessed at 12%. All railroad and utility property is assessed at 32%. All personal property is assessed at 33-1/3%.

(1) Starting in 2005, St. Louis County included railroad and utility figures in real estate and personal property.

(2) For eighteen consecutive years, the City has maintained the real estate tax rate at \$0.00.

Source: St. Louis County Assessor

**CITY OF DES PERES, MISSOURI**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
City of Des Peres, Missouri <sup>(1)</sup>	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000
<b>Overlapping Governments:</b>										
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
St. Louis County	0.5800	0.5800	0.5580	0.5580	0.5580	0.5580	0.5230	0.5230	0.5230	0.5230
Special School District	0.0833	0.9051	0.8399	0.8235	0.9084	0.9184	0.9384	0.9950	1.0125	1.0123
St. Louis Community College	0.2312	0.2368	0.2231	0.2233	0.2003	0.2013	0.2136	0.2179	0.2200	0.2200
St. Louis County Library	0.1500	0.1500	0.1500	0.1400	0.1400	0.1400	0.1400	0.1565	0.1630	0.1730
Metro Sewer District	0.0690	0.0686	0.0686	0.0687	0.0667	-	-	0.0790	0.0818	0.0635
Metro Sewer District Extension	0.0190	0.0190	0.0186	0.0187	0.0167	-	-	0.0180	0.0185	0.0186
Sugar Creek Subdistrict	0.0630	0.0630	0.0600	0.0610	0.0520	-	-	0.0580	0.0590	0.0590
Deer Creek Subdistrict	0.0600	0.0600	0.0600	-	-	-	-	-	-	-
Meramec River Basin Subdistrict	0.0700	0.0700	0.0700	0.0700	0.0700	-	-	-	-	-
Metropolitan Zoological Park	0.2260	0.2756	0.2654	0.2611	0.2300	0.2344	0.2493	0.2546	0.2671	0.2684
Sheltered Workshop	0.0850	0.0850	0.0850	0.0820	0.0700	0.0690	0.0740	0.0790	0.0840	0.0840
<b>Total Overlapping Governments</b>	<b>1.6665</b>	<b>2.5431</b>	<b>2.4286</b>	<b>2.3363</b>	<b>2.3421</b>	<b>2.1511</b>	<b>2.1683</b>	<b>2.4110</b>	<b>2.4589</b>	<b>2.4518</b>
<b>Total City And Overlapping Governments</b>	<b>1.6665</b>	<b>2.5431</b>	<b>2.4286</b>	<b>2.3363</b>	<b>2.3421</b>	<b>2.1511</b>	<b>2.1683</b>	<b>2.4110</b>	<b>2.4589</b>	<b>2.4518</b>
<b>School districts:</b>										
Kirkwood	3.7500	3.8590	3.7144	4.1525	3.9895	3.9219	4.0842	4.1869	4.2878	4.2841
Parkway	3.4510	3.6920	3.4534	3.7079	3.2300	3.2300	3.4100	3.5672	3.6761	3.9361

Note:

(1) For eighteen consecutive years, the City has maintained the real estate tax rate at \$0.00.

Source: St. Louis County Assessor

**CITY OF DES PERES, MISSOURI**  
**PRINCIPAL PROPERTY TAX PAYERS<sup>(1)</sup>**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2012			2003		
	Total Assessed Value (2)	Rank	Percentage Of Total City Taxable Assessed Value	Total Assessed Value (3)	Rank	Percentage Of Total City Taxable Assessed Value
West County Center LLC	\$ 30,114,390	1	7.53%	\$ 25,161,950	1	8.25%
AT&T (Formerly Southwestern Bell Telephone)	8,146,940	2	2.04%	-	-	-
Des Peres Hospital - Tenet Health Systems	7,502,170	3	1.88%	5,910,150	4	1.94%
TC Des Peres Corners LLC	5,278,880	4	1.32%	-	-	-
Duke Realty Investment, Inc.	4,800,000	5	1.20%	4,514,340	5	1.48%
Macy's (May) Department Stores	4,707,420	6	1.18%	6,914,940	3	2.27%
Corporate Property Investors	3,397,090	7	0.85%	2,979,550	8	0.98%
Wal-Mart Properties	3,264,000	8	0.82%	2,377,790	10	0.78%
West County Parcel LLC	3,203,710	9	0.80%	-	-	-
DDR Realty and Maryland Holding Inc.	2,985,310	10	0.75%	2,973,700	9	0.98%
EDJ Leasing Company (4)	-	-	-	17,059,370	2	5.60%
Land Dynamics Inc.	-	-	-	4,005,490	6	1.31%
Southwest Bank of St. Louis	-	-	-	3,389,440	7	1.11%

Notes:

- (1) These entities represent property owners with the largest assessed value only, since the City has maintained the property tax rate of \$0.00 for the last eighteen years
- (2) Based on 2012 assessed valuation equal to \$399,721,043
- (3) Based on 2003 assessed valuation equal to \$304,882,172
- (4) The Edward D. Jones & Co. headquarters facility located in the City is listed in the St. Louis County real estate records as owned by St. Louis County because commercial is assessed at 32%.

Source: Office of the St. Louis County Assessor

**CITY OF DES PERES, MISSOURI**

**SALES TAX COLLECTED <sup>(1)</sup>  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Fund 1.25% July 1, 1971</b>	<b>Capital Improvement Fund 0.50% April 1, 1995</b>	<b>Park Fund 0.50% January 1, 2001</b>	<b>Sales Tax Fire Fund (2) 0.25% April 1, 2004</b>	<b>Total</b>
2003	3,466,210	1,862,179	1,893,582	-	7,221,971
2004	3,714,822	1,961,645	2,002,314	704,964	8,383,745
2005	3,950,701	2,067,118	2,029,244	1,019,071	9,066,134
2006	3,783,995	1,979,044	2,049,276	1,033,241	8,845,556
2007	3,941,409	2,071,962	2,160,057	1,079,838	9,253,266
2008	3,797,718	1,939,759	2,038,706	1,019,412	8,795,595
2009	3,828,612	1,943,847	2,023,129	1,011,564	8,807,152
2010	3,939,239	2,066,018	2,093,855	1,046,922	9,146,034
2011	3,847,275	1,978,054	2,163,788	1,196,592	9,185,709
2012	4,041,279	2,155,753	2,361,206	1,180,460	9,738,698

(1) All revenues are reported net of any costs of collection, sharing, or allocation for TIF.

(2) Des Peres voters approved a new .25% sales tax for fire purposes effective April 1, 2004.

**NOTES:**

In 1997, the City created a Tax Increment Finance District which provides for diverting 50% of any incremental sales above the 1996 taxes generated by the shopping center to the Special Allocation Fund until all TIF Notes have been retired which is anticipated to be between 2013 and 2020.

Because of the significance of sales tax as a major part of City revenues and due to its concentration in a small area, the City has chosen to insure its sales tax revenue stream at certain shopping centers against loss due to fire, act of terrorism or natural disaster. The policy insures revenues for a 12-month period with a \$10,000 deductible, for all perils except for floods and earthquakes in which case the deductible is \$100,000.

The City is home to the recently developed West County Mall, a 1.2 million square foot regional shopping center featuring four anchor stores - Macy's, Nordstroms, JC Penney and Dick's Sporting Goods. The redevelopment of the shopping center together with the existing authority to level local option sales taxes at a rate of up to 2.5%, has well-positioned the City financially for years to come. In addition to the regional mall, the City is fortunate to enjoy a concentration of other commercial centers to provide additional local retail and service opportunities within the community, including Colonnade Center, Des Peres Commons, Des Peres Pointe, Des Peres Square, Olympic Oaks Village, Sam's Club and Schnuck's Shopping Center.

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 the users in understanding this revenue source.

Source: City Finance Department

**CITY OF DES PERES, MISSOURI**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage Of Personal Income	Per Capita
	General Obligation Bonds	Tax Increment Refunding Revenue Bonds	Certificates Of Participation			
2003	15,415,000	40,065,000	7,170,000	62,650,000	6.87%	7,292
2004	15,095,000	37,845,000	7,170,000	60,110,000	6.59%	6,996
2005	15,130,000	35,995,000	7,170,000	58,295,000	6.39%	6,785
2006	14,690,000	33,760,000	7,170,000	55,620,000	6.10%	6,473
2007	13,920,000	30,685,000	5,790,000	50,395,000	5.52%	5,865
2008	13,155,000	27,685,000	4,395,000	45,235,000	4.96%	5,265
2009	12,165,000	24,645,000	3,320,000	40,130,000	4.40%	4,671
2010	11,195,000	20,170,000	2,890,000	34,255,000	3.75%	3,987
2011	10,220,000	14,510,000	2,445,000	27,175,000	2.62%	3,246
2012	9,220,000	6,490,000	1,985,000	17,695,000	1.94%	2,113

Notes:

- (1) In 2002, the City issued \$40,115,000 in Tax Increment Refunding Revenue Bonds to refund the Series 2001 bonds and to provide funding for the West County Project.
- (2) In 2002, the City issued \$7,170,000 in Certificates of Participation to provide funding for the City's community center, The Lodge Des Peres.
- (3) In 2005, the City issued \$14,555,000 in General Obligation Refunding Bonds to advance refund the City's outstanding Series 2000 GO Bonds.
- (4) In 2009, the City issued \$3,735,000 in Certificates of Participation to refund Series 2002 COPS .
- (5) In 2010, the City issued \$6,170,000 in General Obligation Refunding Bonds to partially refund Series 2005 GO Bonds.

Sources:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
See "Demographic and Economic Statistics" table for personal income and population data.

**CITY OF DES PERES, MISSOURI**

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**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2003	15,415,000	1.21%	1,794
2004	15,095,000	1.13%	1,757
2005	15,130,000	1.00%	1,761
2006	14,690,000	0.98%	1,710
2007	13,920,000	0.79%	1,620
2008	13,155,000	0.74%	1,531
2009	12,165,000	0.72%	1,416
2010	11,195,000	0.65%	1,303
2011	10,220,000	0.60%	1,221
2012	9,220,000	0.54%	1,101

Notes:

(1) See "Assessed Value and Actual Value of Taxable Property" table for property value data.

(2) See "Demographic and Economic Statistics" table for population data.

Source:

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

**CITY OF DES PERES, MISSOURI**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
December 31, 2012**

<b>Jurisdiction</b>	<b>Net Debt Outstanding</b>	<b>Percentage Applicable To City Of Des Peres</b>	<b>Amount Applicable To City Of Des Peres</b>
City of Des Peres	\$ 11,205,000	100.00%	\$ 11,205,000
<b>Total Direct Debt</b>	<b>11,205,000</b>		<b>11,205,000</b>
St. Louis County	63,340,000	1.77%	1,121,118
Parkway School District (1)	155,497,217	3.00%	4,664,917
Kirkwood School District (1)	40,820,000	22.00%	8,980,400
<b>Total Overlapping Debt</b>	<b>259,657,217</b>		<b>14,766,435</b>
<b>Total Direct And Overlapping Debt</b>	<b>\$ 270,862,217</b>		<b>\$ 25,971,435</b>

Note:

(1) Only portions of the school districts are located within the City limits. The applicable amounts refer to that portion of the district that is contained within the City's boundary. The total real estate assessed value for the City of Des Peres that falls within the district of each school district divided by the total real estate assessed value of that district. Net debt outstanding came from each district's June 30, 2012 financial statements.

Source: The above-named jurisdictions.

**CITY OF DES PERES, MISSOURI**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	Year Ended December 31,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit (1)	\$ 30,488,217	\$ 32,286,480	\$ 35,521,085	\$ 35,685,329	\$ 41,026,026	\$ 41,120,090	\$ 39,318,603	\$ 40,341,443	\$ 39,967,174	\$ 39,972,104
Total net debt applicable to debt limit	15,415,000	15,095,000	15,130,000	14,690,000	13,920,000	13,155,000	12,165,000	10,931,038	9,647,691	8,950,273
Legal debt margin	\$ 15,073,217	\$ 17,191,480	\$ 20,391,085	\$ 20,995,329	\$ 27,106,026	\$ 27,965,090	\$ 27,153,603	\$ 29,410,405	\$ 30,319,483	\$ 31,021,831
Total net debt applicable to the limit as a percentage of debt limit	50.56%	46.75%	42.59%	41.17%	33.93%	31.99%	30.94%	27.10%	24.14%	22.39%

Notes:

(1) Debt limit is 10% of the assessed value, which can be found in the "Assessed Value and Actual Value of Taxable Property" table. Bonded indebtedness is limited by Sections 95.115 and 95.120 of the Missouri Revised Statutes to 10% of the assessed value of taxable tangible property.

Source:

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

**CITY OF DES PERES, MISSOURI**  
**PLEDGED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Year	TIF Refunding Revenue Bonds (1)							Certificates of Participation (2)				
	TIF Economic Activity Tax	TIF Payments In Lieu Of Tax	Less Operating Expense	Net Available Revenue	Debt Service		Coverage	Park Sales Tax	Net Available Revenue	Debt Service		Coverage
					Principal	Interest				Principal	Interest	
2003	\$ 2,096,768	\$ 1,324,650	\$ -	\$ 3,421,418	\$ 50,000	\$ 2,289,959	146.22%	\$ 1,893,582	\$ 1,893,582	\$ -	\$ 347,888	544.31%
2004	1,957,653	1,732,153	590,353	3,099,453	2,220,000	2,012,533	73.23%	2,002,314	2,002,314	-	347,887	575.56%
2005	2,805,460	2,341,435	511,931	4,634,964	1,850,000	1,935,943	122.43%	2,029,244	2,029,244	-	347,888	583.30%
2006	3,210,553	2,758,950	619,783	5,349,720	2,235,000	1,859,415	130.66%	2,049,276	2,049,276	-	347,887	589.06%
2007	3,094,682	2,654,304	854,058	4,894,928	3,075,000	1,745,000	101.55%	2,160,057	2,160,057	1,380,000	347,966	125.01%
2008	3,623,222	2,185,897	926,842	4,882,277	3,000,000	1,613,045	105.84%	2,038,706	2,038,706	1,395,000	294,848	120.64%
2009	4,123,263	2,513,350	662,225	5,974,388	3,040,000	1,465,794	132.59%	2,023,129	2,023,129	415,000	134,693	368.05%
2010	4,722,578	2,868,572	668,969	6,922,181	4,475,000	1,257,350	120.76%	2,093,855	2,093,855	430,000	107,250	389.74%
2011	5,128,439	2,798,730	1,091,690	6,835,479	5,660,000	976,456	103.00%	2,163,788	2,163,788	445,000	94,350	401.18%
2012	4,300,274	-	1,194,124	3,106,150	8,020,000	668,444	35.75%	2,361,206	2,361,206	460,000	81,000	436.45%

Notes:

(1) TIF Refunding Revenue Bonds are backed by economic activity (sales) and payments in lieu of taxes generated at the West County Mall.

(2) Certificates of Participation are backed by the sales tax revenue produced by the .5% sales tax rate in effect when the bonds were issued.

Source:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

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**CITY OF DES PERES, MISSOURI**

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**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Household Income (1)</b>	<b>Parkway School District Enrollment (3)</b>	<b>Kirkwood School District Enrollment (3)</b>	<b>Unemployment Rate (2)</b>
2003	8,592	912,427,440	—	106,195	19,928	5,101	5.20%
2004	8,592	912,427,440	—	106,195	19,578	5,109	5.50%
2005	8,592	912,427,440	—	106,195	18,994	4,995	5.20%
2006	8,592	912,427,440	53,507	106,195	18,787	4,982	4.60%
2007	8,592	912,427,440	53,507	106,195	18,212	4,975	5.30%
2008	8,592	912,427,440	53,507	106,195	18,787	5,026	7.20%
2009	8,592	912,427,440	53,507	106,195	17,439	5,000	10.00%
2010	8,592	912,427,440	53,507	106,195	17,300	4,931	9.40%
2011	8,373	1,033,747,326	53,507	123,462	17,234	5,035	8.30%
2012	8,373	1,025,533,413	53,771	122,481	17,156	5,132	7.00%

Sources:

- (1) Missouri Census Data Center
- (2) US Department of Labor - Bureau of Labor Statistics
- (3) The above-named school districts.

**CITY OF DES PERES, MISSOURI**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>Employer</b>	<b>2012 (1)</b>			<b>2003 (2)</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Edward D. Jones and Company	2,100	1	21.00%	736	1	8.18%
Des Peres Hospital (Formerly Deaconess Hospital)	676	2	6.76%	716	2	7.96%
AT&T (Formerly Southwestern Bell Communications)	512	3	5.12%	450	3	5.00%
Schnucks Markets	350	4	3.50%	185	8	2.06%
Macy's (Formerly Famous Barr)	300	5	3.00%	430	4	4.78%
Nordstrom's	324	6	3.24%	394	6	4.38%
JC Penney	190	7	1.90%	175	9	1.94%
Sam's Wholesale Club	180	8	1.80%	210	7	2.33%
Dierberg's	160	9	1.60%	-	-	0.00%
Red Robin	90	10	0.90%	-	-	-
Elephant Bar	90	10	0.90%	-	-	-
Lord & Taylor	-	-	-	160	10	1.78%
Cingular Wireless	-	-	-	420	5	4.72%

Sources:

(1) Des Peres Business License Database

(2) 2003 CAFR, estimated total City employment based on growth over the last 10 years.

**CITY OF DES PERES, MISSOURI**

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

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012 (1)</b>
<b>General Government</b>										
Office of City Administrator	3	3	3	3	3	3	3	3	3	3
Finance	2	2	2	2	2	2	2	3	3	3
Municipal Court	1	1	1	1	1	1	1	2	2	2
Information Systems Coordinator	-	-	-	-	-	1	1	1	1	1
Part-time staff	-	-	-	-	-	-	-	-	-	1.33
<b>Public Safety</b>										
Command Staff	16	15	15	14	14	14	15	16	15	15
Commissioned Officers	28	27	28	29	28	27	27	25	26	28
Office Support	8	7	7	7	7	6	8	8	8	8
Part-time staff	-	-	-	-	-	-	-	-	-	0.31
<b>Public Works</b>										
Building	4	4	3	3	3	3	3	3	3	3
Streets	8	8	8	8	8	8	8	8	8	8
Part-time staff	-	-	-	-	-	-	-	-	-	1.62
<b>Parks and Recreation</b>										
Parks	5	5	5	5	6	7	6	6	6	6
Recreation	15	20	20	20	20	20	20	19	19	21
Part-time staff	-	-	-	-	-	-	-	-	-	50.25
<b>Total</b>	<b>90</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>151.51</b>

(1) 2012 is the first year that the City included full-time equivalents for part-time hours.

**CITY OF DES PERES, MISSOURI**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Public Safety</b>										
Average number of police calls per month	97	501	469	484	476	461	474	493	509	576
Average number of fire calls per month	63	43	43	42	38	32	30	40	43	24
Average number of EMS calls per month	63	46	52	56	58	57	59	56	55	79
Average number of physical arrests per month	65	66	66	66	57	65	67	66	67	72
<b>Parks and Recreation</b>										
Average number of Lodge memberships	-	2,474	3,384	3,025	3,081	2,967	2,888	3,027	3,113	3,087
Annual member visits	-	241,172	280,189	276,033	297,574	283,049	269,679	277,292	276,522	271,903
Annual daily admission visits	-	30,367	33,663	35,674	39,077	38,797	34,335	37,799	40,503	40,014
<b>Public Works:</b>										
Number of permits issued	217	213	215	224	212	186	183	196	201	191
Value of construction	\$ 23,520,035	\$ 20,184,320	\$ 16,799,925	\$ 22,903,963	\$ 24,295,176	\$ 56,160,399	\$ 16,139,682	\$ 13,615,377	\$ 28,600,424	\$ 19,577,579
<b>Finance and Administration</b>										
Business licenses issued	650	500	500	500	516	583	575	576	582	612
Liquor licenses issued	22	21	22	21	22	23	29	31	34	34

Source: Various operating departments within the City of Des Peres.

**CITY OF DES PERES, MISSOURI**

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

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Public Safety</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	17	17	17	17	17	17	17	17	17	20
Fire trucks/pumpers	2	2	2	2	2	2	2	2	2	2
Ambulances (2)	2	2	2	2	2	2	2	2	2	2
Fire hydrants	365	365	365	365	365	365	365	365	365	365
<b>Parks and Recreation</b>										
Acres of parks	72.3	72.3	72.3	72.3	96.3	96.3	96.3	96.3	96.3	96.3
Number of parks	4	4	4	4	6	6	6	6	6	6
Tennis courts	6	6	6	6	6	6	6	6	6	6
Miles of trails	2	2	2	2	3	3	3	7	7	7
<b>Public Works</b>										
Area of City (1)	4	4	4	4	4	4	4	4	4	4
Miles of streets	54	54	54	54	54	54	54	54	54	54
Miles of sidewalks	31	31	31	31	31	31	31	31	31	31
Number of streets	216	216	216	216	216	216	217	217	217	217
Number of street lights (provided by the City)	142	142	142	142	142	142	142	142	142	142

Notes:

(1) Area in square miles.

(2) During 2003-2011, the City owned one ambulance and shared a reserve ambulance with Kirkwood FD. In 2012, the City purchased a second ambulance and the sharing agreement with Kirkwood FD came to an end.

Source: Various operating departments within the City of Des Peres.