

# Comprehensive Annual Financial Report

For Fiscal Year Ended  
March 31, 2012



*Photo courtesy of Jeremy Knapp*

## City of Kirkwood, Missouri

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***CITY OF KIRKWOOD, MISSOURI***  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***FOR THE FISCAL YEAR ENDED MARCH 31, 2012***

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Report issued by the Finance Department

John R. Adams  
Director of Finance

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**City of  
Kirkwood**

**Introductory Section**

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WHERE COMMUNITY AND SPIRIT MEET

September 13, 2012

To the Honorable Mayor, Members of the City Council, and Citizens of Kirkwood, Missouri:

The Comprehensive Annual Financial Report (CAFR) of the City of Kirkwood (City), Missouri, for the fiscal year ended March 31, 2012, is hereby submitted. The City of Kirkwood's Finance Department prepared this report. The management of the City is responsible for the accuracy of the data and the completeness and fairness of the presentation of the financial statements and other information presented herein. We believe the presentation is accurate in all material respects and includes all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial activities.

This report has been prepared following the guidelines recommended by the Government Finance Officer's Association of the United States and Canada (GFOA). This association awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose annual financial reports are judged to conform substantially with the high standards of public financial reporting including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. It is our belief that the accompanying Fiscal Year 2012 Financial Report meets these program standards, and it will be submitted to the Government Finance Officer's Association for review.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

Kirkwood is located in St. Louis County, approximately 14 miles west of the City of St. Louis. The City covers approximately 9.1 square miles and is bounded by Interstate 44 on its southern boundary and traversed by Interstate 270 near its western boundary. Together, the interstate highways provide excellent access to all parts of the St. Louis metropolitan area.

Kirkwood was the first planned suburban residential area west of the Mississippi River. The City was established in 1853, incorporated in 1865, re-incorporated as a fourth class city in 1899, and as a third class city in 1930. In 1984, the City became a home rule city as permitted under a 1971 amendment to the Missouri Constitution.

Known as “The Green Tree City,” the City is an attractive suburban residential community with tree-lined streets, a vibrant downtown shopping district, and a highly rated public school system. The City has a diverse economic base, which includes several large retailers, limited industries, and many small specialty shops. Kirkwood also is a scheduled daily stop on Amtrak’s St. Louis to Kansas City route.

Missouri State Law and City ordinances require annual budgets to be prepared for the General and Special Revenue Funds on a basis that approximates generally accepted accounting principles. For the period covered by this annual financial report, budgetary control over expenditures was exercised by the City Council throughout the entire fiscal year. The City Council could amend the budget throughout the year provided total expenditures appropriations did not exceed projected revenues plus unencumbered reserves.

Appropriation transfers were made within or between departments with the approval of the Chief Administrative Officer. All budget amendments in excess of the original budget were approved by City ordinances or by transfer from an amount appropriated for contingencies. A City policy, which is not required by state statute, requires all budget amendments or transfers of \$10,000 or more be approved by ordinance. Therefore, the legal level of budgetary control is established by law at the sub object or account level.

The City’s accounting system provides for internal controls to ensure that assets of the City are protected from loss, theft or misuse, and are properly accounted for. The City has designed a comprehensive set of internal controls to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the valuation of costs and benefits requires estimates and judgments by management.

It is the opinion of management that the internal controls utilized are adequate and provide for the safeguarding of assets and assure proper recording of financial transactions.

## FACTORS AFFECTING FINANCIAL CONDITION

The City of Kirkwood has been very fortunate to have negotiated several favorable contracts for the purchase of power. These contracts have enabled the City’s Electric Fund the ability to build fund equity which is a goal of the Council. In addition the City has invested in a generation which is projected to come online in 2012/2013. This generation will assist Kirkwood in further stabilizing electric costs. The contracts and weather volatility of the Electric operations poses a significant challenge for department managers, City Council, and the community.

Kirkwood citizen's approved a 34 cent property tax for general government services in 2007. The City Council certified 27.6 cents of this thirty four cent authorization which brought in a little less than two million dollars in property tax revenues for our general fund. This dedicated property tax has stabilized the general government funding for our general fund and provided the general fund with a variety of funding sources. In addition to this citizen approved property tax, we believe sales taxes are and will continue to be a key source of funding.

## LONG-TERM FINANCIAL PLANNING

Kirkwood is authorized and has implemented a ½-cent sales tax for capital needs, including roads and operating vehicles needed for daily City operations such as dump trucks, police cars, and fire fighting apparatus. This tax, by way of a sunset provision would have expired in March 2005; however, Kirkwood citizens voted to extend this tax for an additional 15 years. In 2004 our citizens also authorized an increase in sanitation fees, allowing this service to cover its operating costs while remaining competitively priced for this region. In addition, in January 2011 implementation of single stream curbside recycling will provide for a small amount of revenue and a larger amount of deferred landfill costs.

The local economy is slowly improving. Sales taxes exceeded the previous fiscal years collections and we are starting to see an increase in construction permits. The local economy is fragile and the City continues to look for efficiencies and ways to decrease costs while providing the same level of services to our citizens and customers.

## INDEPENDENT AUDIT

State statutes and the City Charter require an annual audit by independent certified public accountants. The accounting firm of Hochschild, Bloom & Company, LLP was selected by the City Council for this year's audit. The external auditors met with the City's Audit Committee at the start of fieldwork and at the conclusion of fieldwork. The Audit Committee met together and privately with the external auditors and management to ensure review and oversight. The auditor's report on the basic financial statements is included in the financial section of this report.

## AWARDS AND ACKNOWLEDGEMENTS

The (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Kirkwood, Missouri, for its CAFR for the fiscal year ended March 31, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. 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 the CAFR was made possible by the dedicated service of the entire staff of the finance department. Each member of the department and all City employees who supplied information have our sincere appreciation for the contributions made in preparation of this report.

In closing, without the leadership, interest and support of the Mayor, City Council and Chief Administrative Officer, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink that reads "John Adams". The signature is written in a cursive style with a large, looping initial "J".

John Adams

Director of Finance

# CITY OF KIRKWOOD, MISSOURI

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## CITY OFFICIALS

### MAYOR

Arthur McDonnell

## COUNCIL MEMBERS

Gerry Biedenstein

Bob Sears

Timothy Griffin

Paul Ward

Gina Jaksetic

Ignatius Yuan

## COUNCIL STAFF

Elizabeth Montano

City Clerk

## ADMINISTRATION

Michael Brown

Chief Administrative Officer

Georgia Ragland

Asst. Chief Administrative Officer

Elizabeth Von Behren

Public Information Officer

## DEPARTMENT HEADS

John Adams

Finance Director

Kimberly Butts

Purchasing Director

Kevin Campe

Information Systems Director

Jack Plummer

Police Chief

Thomas Openlander

Fire Chief

Todd Rehg

Public Works Director

Mark Petty

Electric Director

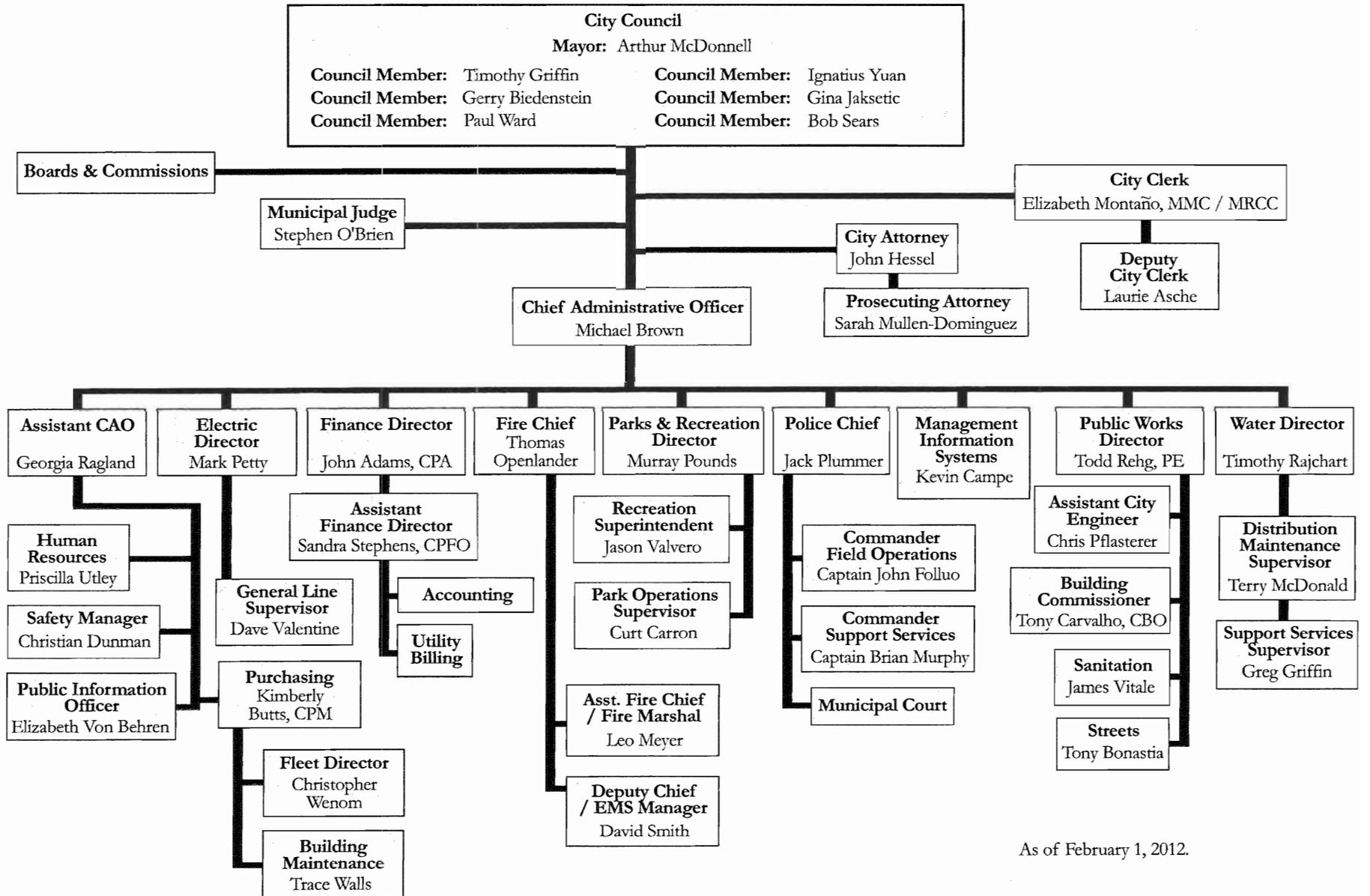
Timothy Rajchart

Water Director

Murray Pounds

Parks and Recreation Director

**CITY OF KIRKWOOD, MISSOURI**



As of February 1, 2012.

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kirkwood  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
March 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.



*Linda C. Davison*

President

*Jeffrey R. Egan*

Executive Director

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**City of**

**Financial Section**

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**Kirkwood**



**Hochschild, Bloom & Company LLP**  
Certified Public Accountants  
Consultants and Advisors

## **INDEPENDENT AUDITORS' REPORT**

September 13, 2012

Honorable Mayor and Members of the City Council  
**CITY OF KIRKWOOD, MISSOURI**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF KIRKWOOD, MISSOURI** (the City) as of and for the year ended March 31, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of March 31, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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A Global Association of Independent Firms

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 2012 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 supplemental information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements taken as a whole. The introductory section, other supplemental information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and is not a required part of the financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken 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.

*Hechtschild, Bloom & Company, LLP*

**CERTIFIED PUBLIC ACCOUNTANTS**

## CITY OF KIRKWOOD, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2012

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As management of the CITY OF KIRKWOOD, we offer readers of the CITY OF KIRKWOOD'S financial statements this narrative overview and analysis of the financial activities of the CITY OF KIRKWOOD for the fiscal year ended March 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through iv of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

#### **Financial Highlights**

- The assets of the CITY OF KIRKWOOD exceeded its liabilities at the close of the most recent fiscal year by \$103,890 (*net assets*). Of this amount, \$61,311 is invested in capital assets, net of related debt; \$31,814 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. While \$10,765 is restricted for a specific use (see NET ASSETS, page 17).
- As of the close of the current fiscal year, the CITY OF KIRKWOOD'S governmental funds reported combined ending fund balances of \$17,858, a decrease of \$1,132 in comparison with the prior year. A total of \$6,378 is *available for spending* at the government's discretion (*unassigned fund balance*). While \$1,333 has been assigned for a specific use by the City Council (see FUND BALANCES, page 19).
- At the end of the current fiscal year, nonspendable, assigned, and unassigned fund balance for the general fund was \$7,792, or 40 percent of total general fund operating expenditures.

#### **Overview of Financial Statements**

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

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the CITY OF KIRKWOOD'S finances, in a manner similar to a private-sector business.

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

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

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**Overview of Financial Statements (continued)**

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the CITY OF KIRKWOOD 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 OF KIRKWOOD include general government, public safety, highways and streets, economic development, and culture and recreation. The business-type activities of the CITY OF KIRKWOOD include Water, Sanitation, and an Electric Distribution operation.

The government-wide financial statements include not only the CITY OF KIRKWOOD itself (known as the *primary government*), but also a legally separate Industrial Development Authority for which the CITY OF KIRKWOOD is financially accountable. Financial information for this *component unit* is reported by the City.

The government-wide financial statements can be found on pages 17 and 18 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 OF KIRKWOOD, 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 OF KIRKWOOD can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial 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 financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

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**Overview of Financial Statements (continued)**

**Governmental Funds (continued)**

The CITY OF KIRKWOOD maintains 12 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, public park board, police & fire property tax pension, and our two voter approved capital improvement funds which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The CITY OF KIRKWOOD adopts an annual appropriated budget for its general, public park board, and P&F property tax pension funds. A budgetary comparison statement has been provided for the general, public park board, and P&F property tax pension funds. Due to the management controls adopted, which provide for the budget to be controlled at a detail greater than the statutory level of control, the legal level of budgetary control for all governmental funds is established at the sub object level. Compliance with the legal level of budgetary control is demonstrated through the issuance of a separate report, which is available for inspection at the Finance Department.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

**Proprietary Funds.** The CITY OF KIRKWOOD maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The CITY OF KIRKWOOD uses enterprise funds to account for its Water, Sanitation, and for its Electric Distribution operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the CITY OF KIRKWOOD'S various functions. The CITY OF KIRKWOOD uses internal service funds to account for the maintenance & repair of its vehicles and equipment, and for its worker's compensation program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water distribution, Sanitation and for the Electric Distribution operation, the three of which are considered to be major funds of the CITY OF KIRKWOOD. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 23 through 26 of this report.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

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**Overview of Financial Statements (continued)**

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the CITY OF KIRKWOOD'S own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

**Notes to the 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 29 through 75 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the CITY OF KIRKWOOD'S budgetary comparisons. Required supplementary information can be found on pages 76 through 82 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, the nonmajor governmental funds budget comparisons, and internal service funds are presented in other supplementary information. Combining and individual fund statements and schedules can be found on pages 83 through 101 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the CITY OF KIRKWOOD, assets exceeded liabilities by \$103,890 at the close of the most recent fiscal year.

By far the largest portion of the CITY OF KIRKWOOD'S net assets (59 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) net of related debt. The CITY OF KIRKWOOD uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The second largest portion of the CITY OF KIRKWOOD'S net assets is the unrestricted portion of net assets (30 percent).

The following table reflects the condensed statement of net assets as of March 31, 2012:

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

**City of Kirkwood's Net Assets**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Current and other assets	\$23,160	\$22,246	\$26,604	\$27,586	\$ 49,764	\$ 49,832
Capital assets	<u>55,863</u>	<u>58,758</u>	<u>16,643</u>	<u>20,013</u>	<u>72,506</u>	<u>78,771</u>
Total Assets	<u>79,023</u>	<u>81,004</u>	<u>43,247</u>	<u>47,599</u>	<u>122,270</u>	<u>128,603</u>
Long-term liabilities outstanding	13,289	11,672	9,717	9,366	23,006	21,038
Other liabilities	<u>2,059</u>	<u>2,378</u>	<u>2,610</u>	<u>1,297</u>	<u>4,669</u>	<u>3,675</u>
Total Liabilities	<u>15,348</u>	<u>14,050</u>	<u>12,327</u>	<u>10,663</u>	<u>27,675</u>	<u>24,713</u>
Net Assets:						
Invested in capital assets, net of related debt	46,154	50,074	10,249	11,237	56,403	61,311
Restricted	10,185	10,061	705	704	10,890	10,765
Unrestricted	<u>7,336</u>	<u>6,819</u>	<u>19,966</u>	<u>24,995</u>	<u>27,302</u>	<u>31,814</u>
Total Net Assets	<u>\$63,675</u>	<u>\$66,954</u>	<u>\$30,920</u>	<u>\$36,936</u>	<u>\$ 94,595</u>	<u>\$103,890</u>

A portion of the CITY OF KIRKWOOD'S Governmental Activities net assets (15 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$6,819 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the CITY OF KIRKWOOD is able to report positive balances in all three categories of net assets, for the government as a whole, business-type activities as well as for its component unit.

The CITY OF KIRKWOOD'S net assets increased by \$9,295 during the current fiscal year as a result of the activity shown in the following table:

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

**City of Kirkwood's Changes in Net Assets**

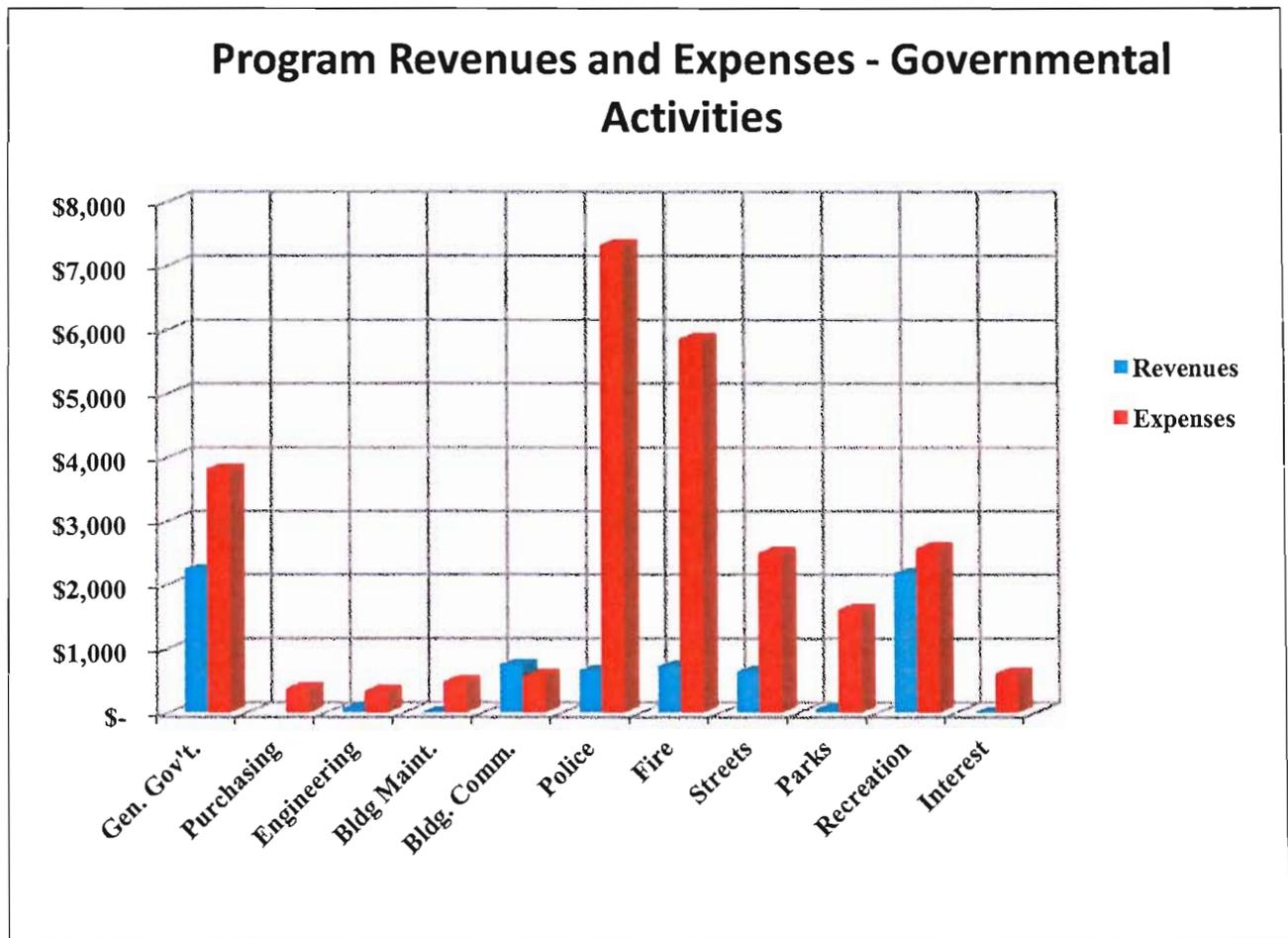
	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues:						
Program Revenues:						
Charges for services	\$ 5,752	\$ 5,801	\$27,256	\$28,559	\$33,008	\$ 34,360
Operating grants and contributions	184	398	202	176	386	574
Capital grants and contributions	203	1,143	110	108	313	1,251
General Revenues:						
Property taxes	4,861	4,302	--	--	4,861	4,302
Other taxes	15,638	15,823	--	--	15,638	15,823
Other revenues	669	789	427	562	1,096	1,351
Total Revenues	27,307	28,256	27,995	29,405	55,302	57,661
Expenses:						
General Government	3,022	3,823	--	--	3,022	3,823
Purchasing	355	370	--	--	355	370
Engineering	345	332	--	--	345	332
Building maintenance	420	477	--	--	420	477
Building Commissioner	633	587	--	--	633	587
Police	6,995	7,324	--	--	6,995	7,324
Fire	5,789	5,852	--	--	5,789	5,852
Streets	2,472	2,503	--	--	2,472	2,503
Parks	1,559	1,609	--	--	1,559	1,609
Recreation	2,581	2,573	--	--	2,581	2,573
Interest on long-term debt	733	608	--	--	733	608
Electric	--	--	22,983	15,766	22,983	15,766
Water	--	--	4,057	4,011	4,057	4,011
Sanitation	--	--	2,929	2,531	2,929	2,531
Total Expenses	24,904	26,058	29,969	22,308	54,873	48,366
Increase in net assets before transfers	2,403	2,198	(1,974)	7,097	429	9,295
Transfers	1,527	1,081	(1,527)	(1,081)	--	--
Increase/Decrease in net assets	3,930	3,279	(3,501)	6,016	429	9,295
Net assets - April 1, 2011	\$63,675		\$30,920		\$94,595	
Net assets - March 31, 2012		\$66,954		\$36,936		\$103,890

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

**Government-wide Financial Analysis (continued)**

The following exhibit presents expenses and program revenues of governmental activities:



Governmental activities and Business-type activities showed growth this past fiscal year.

Overall governmental revenues have increased, however, the City is still concerned because the recovery appears to be sluggish.

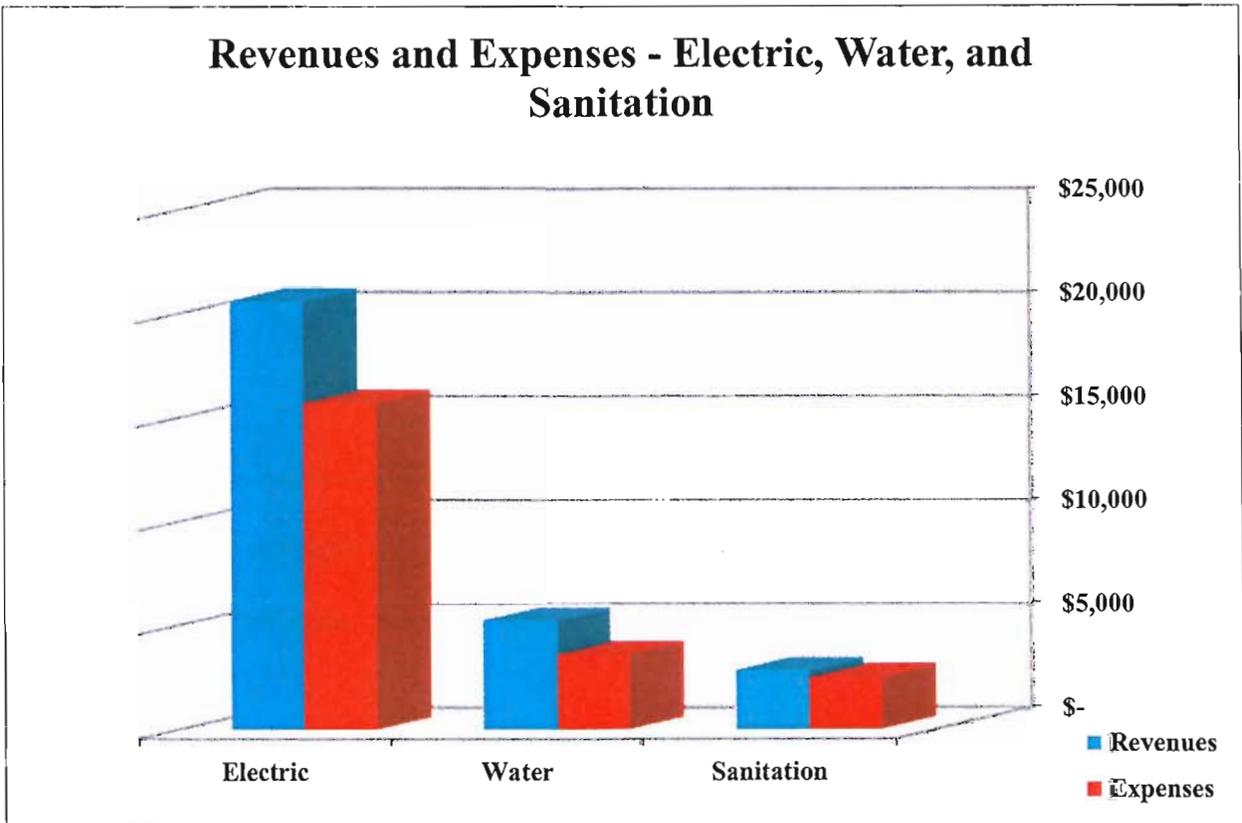
**Business-type Activities.** Business-type activities showed a positive increase in net assets in our three proprietary fund types. The most notable being the electric fund which had an increase in net assets of \$4,247.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

**Business-type Activities (continued)**

- Operational revenues for electric, water, and sanitation services increased by \$1,277 compared to our last fiscal year. Operating expenses compared to the last fiscal year decreased by \$7,562. This primary reason for the decrease in expenses are more favorable electric purchasing contracts which decrease the cost of electric power by \$7,343 compared to the last fiscal year.
- The Water Distribution System purchases 100% of its water from Missouri American Water Company. The water is delivered to Kirkwood through five separate interconnects and a long term contract with Missouri American Water system have made our system more reliable, in addition to providing the City with predictable costs.
- The Sanitation Fund implemented a city-wide curbside recycling program in January 2011. Estimates indicate with the revenues from single stream recycling and deferral of solid waste charges the Sanitation Fund should be profitable in the next fiscal year. The sanitation fund did indeed increase its net assets by \$274 this fiscal year.



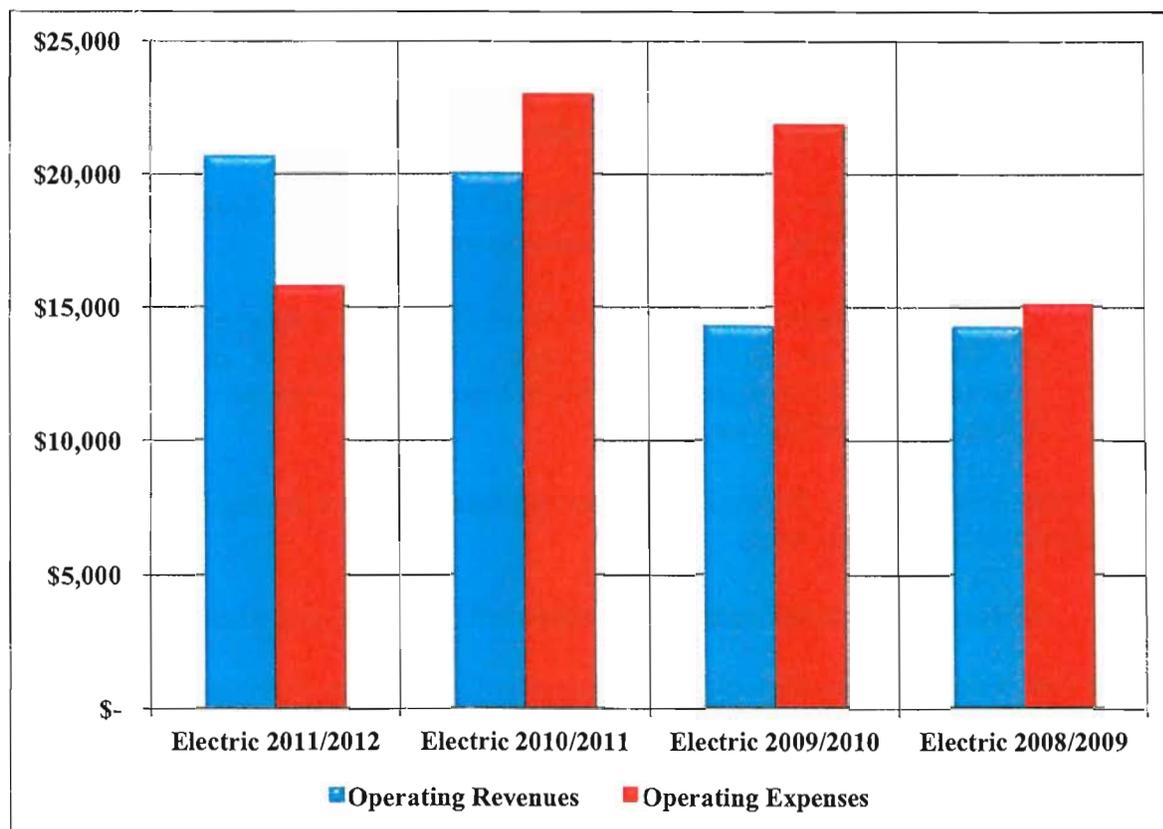
CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

Government-wide Financial Analysis (continued)

Business-type Activities (continued)

**ELECTRIC FUND**



**Financial Analysis of the Government's Funds**

As noted earlier, the CITY OF KIRKWOOD uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the CITY OF KIRKWOOD'S *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the CITY OF KIRKWOOD'S financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the CITY OF KIRKWOOD'S governmental funds reported combined ending fund balance of \$17,858, a decrease of \$1,132 in comparison with the prior year.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

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**Financial Analysis of the Government's Funds (continued)**

Approximately (43 percent) of this total ending fund balance constitutes assigned/unassigned *fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable or restricted. To indicate that it is not available for new spending because it has already been committed 1) Nonspendable, inventory and prepaid items (\$81), 2) Restricted, legally restricted by outside parties or by law through constitutional provisions or enabling legislation (\$10,066).

The general fund is the chief operating fund of the CITY OF KIRKWOOD. At the end of the current fiscal year, fund balance of the general fund was \$7,792.

The fund balance of the CITY OF KIRKWOOD'S general fund decreased by \$1,035 during the current fiscal year. Key factors in the decrease were:

- Two special projects in the amount of \$1,642 for the purchase of land in the heart of downtown for parking and a new CAD system for our public safety departments. Without these two special projects the general fund would have increased its fund balance by \$607.

The fund balance of the Public Park Board increased by \$166 during the current fiscal year. Key factors in the increase were:

- Revenues and expenditures stayed consistent compared to the last fiscal year.

The fund balance of the Police & Fire Property Tax Pension Fund decreased by \$161 during the current fiscal year. Key factors in the decrease were:

- City Council lowered the property tax rate and plans to continue to decrease the rate until the fund balance equals approximately one years worth of pension contributions.

The fund balance of the Capital Improvement Fund decreased by \$887 during the current fiscal year. Key factors in the decrease were:

- Revenues showed a large increase which is the federal reimbursement for our Holmes Avenue street project.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

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**Financial Analysis of the Government's Funds (continued)**

The fund balance of the recreation facilities capital improvement fund increased by \$837 during the current fiscal year. Key factors of the increase were:

- Almost four hundred thousand in grant revenues and a significant decrease in the dollar amount of projects completed this past fiscal year.

The debt service fund has a total fund balance of \$716, all of which is reserved for the payment of debt service. The City enacted a dedicated property tax for debt service when initially approved by the voters. This annual property tax produced revenues of \$509 in the current fiscal year which, when combined with investment and other income in addition to the fund balance, is more than enough to service our general obligation debt.

*Proprietary Funds.* The CITY OF KIRKWOOD'S proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the water and sanitation funds at the end of the year amounted to \$15,552, and those for the electric distribution operation amounted to \$21,384. The total change in net assets for the water fund was \$1,495, sanitation fund was \$274, and \$4,247 in the electric fund. Other factors concerning the finances of these funds have already been addressed in the discussion of the CITY OF KIRKWOOD'S business-type activities.

**General Fund Budgetary Highlights**

Differences between the general fund original budgeted expenditures and the final amended budgeted expenditures was \$1,552 with the largest variance in personnel services in the police department.

**Capital Asset and Debt Administration**

**Capital Assets.** The CITY OF KIRKWOOD'S investment in capital assets for its governmental and business type activities as of March 31, 2012, amounts to \$78,771, net of accumulated depreciation. This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the CITY OF KIRKWOOD'S investment in capital assets for the current fiscal year was \$6,265.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

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**Capital Assets  
Net of Accumulated Depreciation**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Land	\$ 5,773	\$ 5,773	\$ 352	\$ 351	\$ 6,125	\$ 6,124
Buildings	24,369	26,361	139	310	24,508	26,671
Distribution system	--	--	10,587	11,194	10,587	11,194
Infrastructure	17,735	18,516	15	14	17,750	18,530
Machinery & equipment	1,597	1,978	609	723	2,206	2,701
Automotive equipment	3,129	2,937	1,145	1,441	4,274	4,378
Improvements other than buildings	--	--	169	158	169	158
Construction in progress	<u>3,260</u>	<u>3,193</u>	<u>3,627</u>	<u>5,822</u>	<u>6,887</u>	<u>9,015</u>
Total	<u>\$55,863</u>	<u>\$58,758</u>	<u>\$16,643</u>	<u>\$20,013</u>	<u>\$72,506</u>	<u>\$78,771</u>

Additional information on the CITY OF KIRKWOOD'S capital assets can be found in note 4 on pages 49 through 52 of this report.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

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**Long-Term Debt.** At the end of the current fiscal year, the CITY OF KIRKWOOD had total debt outstanding of \$21,038. Of this amount, \$3,730 comprises debt backed by the full faith and credit of the government and \$2,608 is tax increment financing debt and public improvement notes for which the government is liable for the payment of collected incremental revenues for a period of seventeen years. If the public improvement notes are not paid off in seventeen years the debt is forgiven. The remainder of the CITY OF KIRKWOOD'S debt represents bonds secured solely by specified revenue sources (i.e., leasehold revenue bonds) and notes.

**City of Kirkwood's Outstanding Debt**

	General Obligation				Total	
	Governmental		Business-type			
	Activities	Activities	Activities	Activities	2011	2012
	2011	2012	2011	2012	2011	2012
General Obligation Bonds	\$4,140	\$3,730	\$ --	\$ --	\$4,140	\$3,730
PFA Leasehold Revenue Bonds	\$5,980	\$5,310	\$ --	\$ --	\$5,980	\$5,310
Tax Increment Certificates of Participation	\$3,168	\$2,608	\$ --	\$ --	\$3,168	\$2,608
	\$ --	\$ --	\$9,745	\$9,390	\$9,745	\$9,390

The CITY OF KIRKWOOD'S total debt decreased by \$1,995 during the current fiscal year due scheduled payments on the debt.

The CITY OF KIRKWOOD maintains a "AA" rating from Standard & Poor's and a "Aa" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the CITY OF KIRKWOOD is \$65,918, which is significantly in excess of the CITY OF KIRKWOOD'S outstanding general obligation debt.

Additional information on the CITY OF KIRKWOOD'S long-term debt can be found in note 6 on pages 59 through 65 of this report.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

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**Economic Factors and Next Year's Budgets and Rates**

- Purchased power costs have decreased and are projected to decrease in the next fiscal year. The city is investing in generating capabilities and plans on the Electric Fund making a profit in fiscal year 2013 and continuing this profitability and increase its net assets in the year 2014 and beyond.
- While the economy slowly recovers the City will have to proceed with caution as reduced revenues and increasing expenditures indicate we should continue to reduce expenditures and look for more efficient ways of providing services whenever possible.
- In January 2011 the City added curbside single stream recycling to its solid waste disposal operations. The City added this service with no increase in rates to its customers with the help of grants and the significant reduction in landfill costs due to the decrease in solid waste. While the sanitation fund showed a small profit this fiscal year we believe the fund will continue this increase in 2013.

All of these factors were considered in preparing the CITY OF KIRKWOOD'S budget for the 2012/2013 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the CITY OF KIRKWOOD'S 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 City of Kirkwood, Director of Finance, 139 S. Kirkwood Road Kirkwood, Missouri 63122-4303. Budget and Comprehensive Annual Financial Report documents are available online at - <http://www.ci.kirkwood.mo.us/finance/finance.htm>.

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF NET ASSETS  
MARCH 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
<b>ASSETS:</b>				
Cash and short-term investments.....	\$ 20,885,780	\$ 23,329,397	\$ 44,215,176	\$ 116,646
Receivables, net of allowances:				
Taxes.....	2,334,502	-	2,334,502	-
Services.....	230,816	1,950,344	2,181,160	-
Interest.....	41,731	46,749	88,480	247
Other.....	127,381	230,712	358,093	-
Internal balances.....	(1,530,000)	1,530,000	-	-
Inventories.....	81,084	388,990	470,075	-
Prepaid items.....	3,897	-	3,897	-
Bond issue costs, net.....	71,325	110,061	181,386	-
Capital assets:				
Nondepreciable.....	8,966,487	6,172,523	15,139,010	-
Depreciable.....	49,791,660	13,840,763	63,632,423	-
<b>TOTAL ASSETS.....</b>	<b>\$ 81,004,663</b>	<b>\$ 47,599,539</b>	<b>\$ 128,604,202</b>	<b>\$ 116,893</b>
<b>LIABILITIES:</b>				
Accounts payable.....	\$ 720,376	\$ 933,726	\$ 1,654,102	\$ -
Accrued interest.....	132,271	37,081	169,352	-
Other accrued liabilities.....	528,613	130,588	659,201	-
Claims payable.....	256,351	-	256,351	-
Unearned revenues.....	299,529	-	299,529	-
Deposits and escrow funds.....	441,647	195,533	637,180	-
Long-Term Liabilities:				
Due within one year.....	1,538,935	435,234	1,974,169	-
Due in more than one year.....	10,132,812	8,931,239	19,064,051	-
<b>TOTAL LIABILITIES.....</b>	<b>14,050,534</b>	<b>10,663,401</b>	<b>24,713,935</b>	<b>-</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt.....	50,073,461	11,237,213	61,310,674	-
Restricted for:				
Capital projects.....	2,415,994	-	2,415,994	-
Debt service.....	1,941,607	704,381	2,645,988	-
Law enforcement.....	236,162	-	236,162	-
Park operations.....	1,384,988	-	1,384,988	-
Police and fire pension.....	3,118,751	-	3,118,751	-
Sewer lateral.....	771,756	-	771,756	-
Special Business district.....	191,749	-	191,749	-
Unrestricted.....	6,819,661	24,994,544	31,814,205	116,893
<b>TOTAL NET ASSETS.....</b>	<b>\$ 66,954,129</b>	<b>\$ 36,936,138</b>	<b>\$ 103,890,267</b>	<b>\$ 116,893</b>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Industrial Development Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities:</b>								
General government and finance.....	\$ 3,822,665	\$ 2,240,380	\$ -	\$ 3,999	\$ (1,578,286)	\$ -	\$ (1,578,286)	\$ -
Purchasing.....	370,231	-	-	-	(370,231)	-	(370,231)	-
Engineering.....	331,728	75,125	-	-	(256,603)	-	(256,603)	-
Building maintenance.....	477,318	-	-	-	(477,318)	-	(477,318)	-
Building commissioner.....	587,664	750,809	-	-	163,145	-	163,145	-
Police.....	7,324,109	281,192	350,642	24,088	(6,668,187)	-	(6,668,187)	-
Fire.....	5,852,373	725,835	3,000	-	(5,123,538)	-	(5,123,538)	-
Streets.....	2,502,988	5,833	-	638,911	(1,858,244)	-	(1,858,244)	-
Parks.....	1,608,918	52,283	-	11,238	(1,545,397)	-	(1,545,397)	-
Recreation.....	2,573,528	1,669,546	44,138	464,854	(394,990)	-	(394,990)	-
Interest and fiscal agent fees on long-term debt.....	607,851	-	-	-	(607,851)	-	(607,851)	-
Total Governmental Activities.....	<u>26,059,373</u>	<u>5,801,003</u>	<u>397,780</u>	<u>1,143,090</u>	<u>(18,717,500)</u>	<u>-</u>	<u>(18,717,500)</u>	<u>-</u>
<b>Business-Type Activities:</b>								
Electric.....	15,766,443	20,632,374	-	-	-	4,865,931	4,865,931	-
Water.....	4,011,031	5,257,765	-	108,285	-	1,355,019	1,355,019	-
Sanitation.....	2,531,020	2,668,890	176,465	-	-	314,335	314,335	-
Total Business-Type Activities.....	<u>22,308,494</u>	<u>28,559,029</u>	<u>176,465</u>	<u>108,285</u>	<u>-</u>	<u>6,535,285</u>	<u>6,535,285</u>	<u>-</u>
<b>TOTAL PRIMARY GOVERNMENT.....</b>	<u>\$ 48,367,867</u>	<u>\$ 34,360,032</u>	<u>\$ 574,245</u>	<u>\$ 1,251,375</u>	<u>\$ (18,717,500)</u>	<u>\$ 6,535,285</u>	<u>\$ (12,182,215)</u>	<u>\$ -</u>
<b>General Revenues:</b>								
Property taxes levied for:								
General purposes.....								
					\$ 1,907,078	\$ -	\$ 1,907,078	\$ -
					891,681	-	891,681	-
					123,228	-	123,228	-
					878,448	-	878,448	-
					501,513	-	501,513	-
Sales tax levied for:								
					4,493,798	-	4,493,798	-
					1,992,177	-	1,992,177	-
					2,332,035	-	2,332,035	-
					1,015,512	-	1,015,512	-
					4,786,762	-	4,786,762	-
					77,975	-	77,975	-
					721,122	-	721,122	-
					403,980	-	403,980	-
					369,438	531,897	901,335	2,257
					70,873	30,574	101,447	-
					349,562	-	349,562	-
					1,081,571	(1,081,571)	-	-
					<u>21,996,753</u>	<u>(519,100)</u>	<u>21,477,653</u>	<u>2,257</u>
					3,279,253	6,016,185	9,295,438	2,257
					<u>63,674,876</u>	<u>30,919,953</u>	<u>94,594,829</u>	<u>114,636</u>
					<u>\$ 66,954,129</u>	<u>\$ 36,936,138</u>	<u>\$ 103,890,267</u>	<u>\$ 116,893</u>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

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

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Public Park Board	P&F Property Tax Pension	Capital Improvement	Recreation/ Facilities	Other Governmental Funds	
<b>ASSETS:</b>							
Cash and investments (including cash equivalents):							
Held by trustees.....	\$ -	\$ -	\$ -	\$ -	\$ 17	\$ 237,844	\$ 237,861
Restricted.....	426,782	25,000	-	25,000	875,843	-	1,352,625
Unrestricted.....	7,436,097	1,424,125	3,097,682	1,843,505	1,823,944	2,052,930	17,678,283
Receivables, net of allowances where applicable:							
Taxes.....	1,455,825	86,797	85,541	268,349	314,641	123,349	2,334,502
Interest.....	16,719	3,056	6,551	3,966	3,874	4,156	38,322
Ambulance.....	230,816	-	-	-	-	-	230,816
Other.....	21,300	-	-	73,071	26,013	6,997	127,381
Inventory.....	76,868	-	-	-	-	-	76,868
Prepaid items.....	3,897	-	-	-	-	-	3,897
<b>TOTAL ASSETS.....</b>	<b>\$ 9,668,304</b>	<b>\$ 1,538,978</b>	<b>\$ 3,189,774</b>	<b>\$ 2,213,891</b>	<b>\$ 3,044,332</b>	<b>\$ 2,425,276</b>	<b>\$ 22,080,555</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>LIABILITIES:</b>							
Accounts payable.....	\$ 422,033	\$ 78,384	34,918	\$ 135,056	\$ 7,070	\$ 17,446	\$ 694,907
Accrued wages and vacation payable.....	461,136	25,315	2,081	2,107	-	4,720	495,359
Due to other funds.....	-	-	-	-	1,530,000	-	1,530,000
Deposits payable.....	426,782	-	-	-	-	14,865	441,647
Deferred revenue.....	353,962	34,498	34,024	173,813	118,340	46,553	761,190
Unearned revenue.....	212,469	15,793	-	-	-	71,267	299,529
<b>Total Liabilities.....</b>	<b>1,876,382</b>	<b>153,990</b>	<b>71,023</b>	<b>310,976</b>	<b>1,655,410</b>	<b>154,851</b>	<b>4,222,632</b>
<b>FUND BALANCES:</b>							
Nonspendable:							
Inventories.....	76,868	-	-	-	-	-	76,868
Prepaid assets.....	3,897	-	-	-	-	-	3,897
Restricted for:							
Capital projects.....	-	-	-	1,902,915	513,079	-	2,415,994
Debt service.....	-	-	-	-	875,843	716,667	1,592,510
Law enforcement.....	-	-	-	-	-	236,162	236,162
Park operations.....	-	1,384,988	-	-	-	-	1,384,988
Police and fire pension.....	-	-	3,118,751	-	-	-	3,118,751
Sewer lateral.....	-	-	-	-	-	771,756	771,756
Special business district.....	-	-	-	-	-	191,749	191,749
TIF bonds and notes.....	-	-	-	-	-	354,091	354,091
Assigned to:							
Projected use of reserves.....	1,332,554	-	-	-	-	-	1,332,554
Unassigned:	6,378,603	-	-	-	-	-	6,378,603
<b>Total Fund Balances.....</b>	<b>7,791,922</b>	<b>1,384,988</b>	<b>3,118,751</b>	<b>1,902,915</b>	<b>1,388,922</b>	<b>2,270,425</b>	<b>17,857,923</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 9,668,304</b>	<b>\$ 1,538,978</b>	<b>\$ 3,189,774</b>	<b>\$ 2,213,891</b>	<b>\$ 3,044,332</b>	<b>\$ 2,425,276</b>	<b>\$ 22,080,555</b>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
MARCH 31, 2012

**Total fund balance - governmental funds.....** \$ 17,857,923

Amounts reported for governmental activities in the statement of net assets 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 \$98,293,889 and the accumulated depreciation is \$39,535,742..... 58,758,147

Property taxes and special assessments assessed by the City, but not collected within 60 days of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements..... 761,190

The internal service fund is used by the City to charge the cost of medical and worker's compensation insurance and city-wide vehicle and equipment maintenance and repair costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets..... 1,309,562

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of assets. Discounts, premiums, deferred amount on refunding and bond issuance costs are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.

Balances as of March 31, 2012 are:

Accrued compensated absences, vacation.....	(379,061)	
Accrued interest on outstanding debts.....	(132,271)	
Bonds and notes payable.....	(11,648,000)	
Deferred amount on refunding.....	295,583	
Unamortized bond issue costs.....	71,325	
Unamortized bond discount.....	59,731	
	(11,732,693)	

**Total net assets - governmental activities.....** \$ 66,954,129

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Public Park Board	P&F Property Tax Pension	Capital Improvement	Recreation/ Facilities	Other Governmental Funds	
REVENUES:							
Taxes, including interest and penalties.....	\$ 13,160,066	\$ 897,052	\$ 883,590	\$ 1,999,992	\$ 2,342,214	\$ 948,380	\$ 20,231,294
Intergovernmental.....	409,420	-	-	-	69,594	-	479,014
Licenses, permits, fines and fees.....	2,222,876	59,521	-	-	-	876,632	3,159,029
Investment income.....	147,068	20,867	56,803	49,182	30,707	36,502	341,129
Charges for services.....	2,376,950	-	-	-	-	-	2,376,950
Grants.....	-	4,000	-	644,872	395,260	-	1,044,132
Other.....	625,265	-	-	25,600	-	3,939	654,804
Total Revenues.....	<u>18,941,645</u>	<u>981,440</u>	<u>940,393</u>	<u>2,719,646</u>	<u>2,837,775</u>	<u>1,865,453</u>	<u>28,286,352</u>
EXPENDITURES:							
Current:							
General government and finance.....	3,015,904	-	-	64,452	4,878	390,625	3,475,859
Purchasing.....	366,809	-	-	-	-	-	366,809
Engineering.....	332,089	-	-	-	-	-	332,089
Building maintenance.....	393,925	-	-	-	-	-	393,925
Building commissioner.....	579,708	-	-	-	-	-	579,708
Police.....	6,449,596	-	550,788	-	-	147,589	7,147,973
Fire.....	4,812,101	-	550,788	-	-	-	5,362,889
Streets.....	1,518,372	-	-	-	-	-	1,518,372
Recreation.....	2,027,186	-	-	-	-	-	2,027,186
Parks.....	-	1,229,760	-	-	-	-	1,229,760
Capital outlay.....	38,573	134,854	-	5,389,910	418,880	23,325	6,005,542
Debt Service:							
Principal retirement.....	-	-	-	-	670,000	970,000	1,640,000
Interest and fiscal charges.....	-	-	-	-	207,147	359,900	567,047
Total Expenditures.....	<u>19,534,263</u>	<u>1,364,614</u>	<u>1,101,576</u>	<u>5,454,362</u>	<u>1,300,905</u>	<u>1,891,439</u>	<u>30,647,159</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES...	<u>(592,618)</u>	<u>(383,174)</u>	<u>(161,183)</u>	<u>(2,734,716)</u>	<u>1,536,870</u>	<u>(25,986)</u>	<u>(2,360,807)</u>
OTHER FINANCING SOURCES (USES):							
Transfers in.....	1,200,000	530,246	-	1,719,313	-	-	3,449,559
Transfers out.....	(1,642,237)	-	-	-	(700,000)	(25,551)	(2,367,788)
Proceeds from sale of capital assets.....	-	18,854	-	128,094	435	-	147,383
Total Other Financing Sources (Uses).....	<u>(442,237)</u>	<u>549,100</u>	<u>-</u>	<u>1,847,407</u>	<u>(699,565)</u>	<u>(25,551)</u>	<u>1,229,154</u>
NET CHANGE IN FUND BALANCES.....	<u>(1,034,855)</u>	<u>165,926</u>	<u>(161,183)</u>	<u>(887,309)</u>	<u>837,305</u>	<u>(51,537)</u>	<u>(1,131,653)</u>
FUND BALANCES, BEGINNING OF YEAR.....	<u>8,826,777</u>	<u>1,219,062</u>	<u>3,279,934</u>	<u>2,790,224</u>	<u>551,617</u>	<u>2,321,962</u>	<u>18,989,576</u>
FUND BALANCES, END OF YEAR.....	<u>\$ 7,791,922</u>	<u>\$ 1,384,988</u>	<u>\$ 3,118,751</u>	<u>\$ 1,902,915</u>	<u>\$ 1,388,922</u>	<u>\$ 2,270,425</u>	<u>\$ 17,857,923</u>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

<b>Net change in fund balances - total governmental funds.....</b>		<b>\$ (1,131,653)</b>
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000, for general and infrastructure, are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. Donated assets are not recorded in the governmental funds but are recognized as revenue in the statement of activities. This is the amount by which depreciation exceeded capital outlays and donated capital assets in the current period.</p>		
Capital outlays.....	5,682,102	
Depreciation expense.....	<u>(2,709,665)</u>	2,972,437
<p>In the statement of activities, the gain on the disposition of capital assets is reported. The fund financial statements recognize only the proceeds from the sale of those assets.....</p>		
		(77,531)
<p>The governmental funds report bond proceeds as another financing source, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liabilities in the statement of net assets.</p>		
Repayment of bond principal.....	<u>1,640,000</u>	1,640,000
<p>Under the modified accrual basis of accounting used in governmental funds the effect of issuance costs, discounts and premiums when debt is first issued is reported in the operating statement, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net effect of these differences is as follows:</p>		
Accrued interest on bonds.....	24,484	
Compensated absences.....	32,509	
Amortization of premiums and discounts on debt issuance.....	(8,533)	
Amortization of bond issuance costs.....	(10,188)	
Amortization of deferred amount on refunding.....	<u>(46,567)</u>	(8,295)
<p>The internal service funds are used by management to charge the costs of the risk management and fleet services activities to individual funds. The adjustments for the internal service fund "close" the fund by charging additional amounts to participating activities to completely cover the internal service fund's costs for the year.</p>		
Total net increase for the internal service fund.....		15,129
<p>Property tax revenues, sales tax revenues and special assessment revenue received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred revenues decreased this year.....</p>		
		<u>(130,834)</u>
<b>Change in net assets of governmental activities.....</b>		<b><u>\$ 3,279,253</u></b>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF FUND NET ASSETS - PROPRIETARY FUNDS  
MARCH 31, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water	Sanitation	Total	
<b>ASSETS:</b>					
Current Assets:					
Cash and investments:					
Restricted.....	\$ 169,174	\$ 25,602	\$ -	\$ 194,776	\$ -
Held by trustees.....	-	1,208,604	-	1,208,604	5,502
Unrestricted.....	13,958,349	6,592,698	1,374,970	21,926,017	1,611,509
Receivables, net of allowances:					
Services.....	1,347,481	382,012	220,851	1,950,344	-
Interest.....	29,858	13,983	2,908	46,749	3,409
Other.....	23,156	4,355	203,201	230,712	-
Inventory.....	305,596	66,070	17,324	388,990	4,216
Due from other funds.....	765,000	765,000	-	1,530,000	-
Total Current Assets.....	<u>16,598,614</u>	<u>9,058,324</u>	<u>1,819,254</u>	<u>27,476,192</u>	<u>1,624,636</u>
Noncurrent Assets:					
Capital Assets:					
Land and construction in progress.....	2,254,246	3,784,220	134,057	6,172,523	-
Buildings and system.....	6,633,616	12,075,018	162,910	18,871,544	-
Machinery and equipment.....	2,853,584	882,091	1,823,366	5,559,041	-
Less: Accumulated depreciation.....	<u>(6,189,842)</u>	<u>(3,773,964)</u>	<u>(626,016)</u>	<u>(10,589,822)</u>	<u>-</u>
Capital Assets, Net of Accumulated Depreciation.....	<u>5,551,604</u>	<u>12,967,365</u>	<u>1,494,317</u>	<u>20,013,286</u>	<u>-</u>
Deferred debt issue costs.....	-	110,061	-	110,061	-
Total Noncurrent Assets.....	<u>5,551,604</u>	<u>13,077,426</u>	<u>1,494,317</u>	<u>20,123,347</u>	<u>-</u>
Total Assets.....	<u>22,150,218</u>	<u>22,135,750</u>	<u>3,313,571</u>	<u>47,599,539</u>	<u>1,624,636</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts payable.....	495,510	335,509	102,707	933,726	25,469
Accrued wages and vacation.....	101,089	63,829	51,847	216,765	33,254
Accrued interest payable.....	-	37,081	-	37,081	-
Deposits payable from restricted assets.....	169,931	25,602	-	195,533	-
Claims payable.....	-	-	-	-	256,351
Current portion of bonds payable.....	-	365,000	-	365,000	-
Total Current Liabilities.....	<u>766,530</u>	<u>827,021</u>	<u>154,554</u>	<u>1,748,105</u>	<u>315,074</u>
Long-Term Portion of Bonds Payable.....	-	8,915,296	-	8,915,296	-
Total Liabilities.....	<u>766,530</u>	<u>9,742,317</u>	<u>154,554</u>	<u>10,663,401</u>	<u>315,074</u>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt.....	5,551,604	4,191,292	1,494,317	11,237,213	-
Restricted for debt service.....	-	704,381	-	704,381	-
Unrestricted.....	15,832,084	7,497,760	1,664,700	24,994,544	1,309,562
TOTAL NET ASSETS.....	<u>\$ 21,383,688</u>	<u>\$ 12,393,433</u>	<u>\$ 3,159,017</u>	<u>\$ 36,936,138</u>	<u>\$ 1,309,562</u>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Funds
	<u>Electric</u>	<u>Water</u>	<u>Sanitation</u>	<u>Total</u>	
<b>OPERATING REVENUES:</b>					
Electric sales.....	\$20,198,090	\$ -	\$ -	\$20,198,090	\$ -
Water sales.....	-	4,116,299	-	4,116,299	-
Sanitation fees.....	-	-	2,453,882	2,453,882	-
Charges for services.....	-	-	-	-	1,807,590
Other.....	434,284	1,141,466	391,473	1,967,223	1,435
<b>Total Operating Revenues.....</b>	<b>20,632,374</b>	<b>5,257,765</b>	<b>2,845,355</b>	<b>28,735,494</b>	<b>1,809,025</b>
<b>OPERATING EXPENSES:</b>					
Administrative and general.....	1,095,771	506,302	1,131,666	2,733,739	987,466
Customer accounting.....	149,967	297,963	110,667	558,597	-
Purchased power.....	11,792,161	-	-	11,792,161	-
Purchased water.....	-	913,461	-	913,461	-
Distribution maintenance.....	2,014,179	1,594,525	-	3,608,704	-
Maintenance and supplies.....	456,478	27,398	6,148	490,024	-
Pickup, hauling and disposal.....	-	-	1,110,809	1,110,809	-
Claims and insurance premiums.....	-	-	-	-	836,474
Depreciation.....	257,887	310,773	171,730	740,390	-
<b>Total Operating Expenses.....</b>	<b>15,766,443</b>	<b>3,650,422</b>	<b>2,531,020</b>	<b>21,947,885</b>	<b>1,823,940</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>4,865,931</b>	<b>1,607,343</b>	<b>314,335</b>	<b>6,787,609</b>	<b>(14,915)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income.....	372,210	131,632	28,055	531,897	28,309
Interest expense.....	-	(360,609)	-	(360,609)	-
Gain (loss) on sales of property, plant and equipment.....	(1,971)	11,504	13,016	22,549	816
Proceeds from insurance.....	-	-	-	-	919
<b>Total Nonoperating Revenues (Expenses).....</b>	<b>370,239</b>	<b>(217,473)</b>	<b>41,071</b>	<b>193,837</b>	<b>30,044</b>
<b>INCOME (LOSS) BEFORE TRANSFERS....</b>	<b>5,236,170</b>	<b>1,389,870</b>	<b>355,406</b>	<b>6,981,446</b>	<b>15,129</b>
Capital contributions-Federal subsidy.....	-	108,285	-	108,285	-
Capital contributions-Fixed asset donation.....	8,225	-	-	8,225	-
Transfers in (out).....	(997,400)	(2,600)	(81,771)	(1,081,771)	-
<b>CHANGE IN NET ASSETS.....</b>	<b>4,246,995</b>	<b>1,495,555</b>	<b>273,635</b>	<b>6,016,185</b>	<b>15,129</b>
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<b>17,136,693</b>	<b>10,897,878</b>	<b>2,885,382</b>	<b>30,919,953</b>	<b>1,294,433</b>
<b>NET ASSETS, END OF YEAR.....</b>	<b>\$ 21,383,688</b>	<b>\$ 12,393,433</b>	<b>\$ 3,159,017</b>	<b>\$ 36,936,138</b>	<b>\$ 1,309,562</b>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Business-Type Activities - Enterprise Funds				Governmental
	Electric	Water	Sanitation	Total	Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers.....	\$ 19,720,423	\$ 4,066,291	\$ 2,445,740	\$ 26,232,454	\$ -
Receipts from interfund services provided.....	701,451	39,803	29,616	770,870	1,807,590
Other receipts.....	436,368	1,140,066	386,289	1,962,723	1,435
Payments to suppliers.....	(14,699,864)	(1,931,138)	(1,216,071)	(17,847,073)	(1,273,867)
Payments to employees.....	(1,749,653)	(1,016,813)	(859,203)	(3,625,669)	(439,295)
Payments for interfund services.....	(225,635)	(420,769)	(406,088)	(1,052,492)	(23,216)
Net Cash Provided By (Used In)					
Operating Activities.....	4,183,090	1,877,440	380,283	6,440,813	72,647
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers out.....	(1,000,000)	-	(81,771)	(1,081,771)	-
Receipt (payment) of interfund borrowing.....	185,000	85,000	-	270,000	-
Net Cash Provided By (Used In)					
Noncapital Financing Activities.....	(815,000)	85,000	(81,771)	(811,771)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets.....	(510,647)	(2,954,290)	(596,986)	(4,061,923)	-
Proceeds from sale of property, plant and equipment.....	54,509	13,252	17,499	85,260	1,735
Capital contribution-Federal subsidy.....	-	108,286	-	108,286	-
Principal paid on bonds.....	-	(355,000)	-	(355,000)	-
Interest paid on bonds.....	-	(452,846)	-	(452,846)	-
Net Cash Provided By (Used In) Capital and Related Financing Activities.....	(456,138)	(3,640,598)	(579,487)	(4,676,223)	1,735
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>					
Interest received on investments.....	386,394	139,647	31,671	557,712	31,255
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>3,298,346</b>	<b>(1,538,511)</b>	<b>(249,304)</b>	<b>1,510,531</b>	<b>105,637</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>10,829,177</b>	<b>9,365,415</b>	<b>1,624,274</b>	<b>21,818,866</b>	<b>1,511,374</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 14,127,523</b>	<b>\$ 7,826,904</b>	<b>\$ 1,374,970</b>	<b>\$ 23,329,397</b>	<b>\$ 1,617,011</b>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

RECONCILIATION OF OPERATING INCOME  
(LOSS) TO NET CASH PROVIDED BY  
(USED IN) OPERATING ACTIVITIES:

Operating income (loss).....	\$ 4,865,931	\$ 1,607,343	\$ 314,335	\$ 6,787,609	\$ (14,915)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	257,887	310,773	171,730	740,390	-
(Increase) decrease in assets:					
Service receivable.....	223,784	(10,205)	21,473	235,052	-
Miscellaneous receivables.....	2,820	(1,720)	(5,184)	(4,084)	-
Inventory.....	(19,919)	2,993	12,875	(4,051)	(881)
Increase (decrease) in liabilities:					
Accounts payable.....	(1,152,225)	(47,324)	(143,341)	(1,342,890)	8,268
Accrued wages and vacation.....	5,548	15,260	8,395	29,203	1,306
Deposits held for others.....	(736)	320	-	(416)	-
Claims Payable.....	-	-	-	-	78,869
Total adjustments.....	<u>(682,841)</u>	<u>270,097</u>	<u>65,948</u>	<u>(346,796)</u>	<u>87,562</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>\$ 4,183,090</u>	<u>\$ 1,877,440</u>	<u>\$ 380,283</u>	<u>\$ 6,440,813</u>	<u>\$ 72,647</u>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS -  
 FIDUCIARY FUND TYPES - TRUST AND AGENCY FUNDS  
 MARCH 31, 2012

	<u>Pension Trust</u>	<u>Agency</u>
ASSETS:		
Cash and investments:		
Held by trustees:		
Short-term reserves.....	\$ 4,181,433	\$ -
Bond funds.....	4,127,896	-
Balanced funds.....	9,111,571	-
Domestic stock funds.....	18,652,556	-
International stock funds.....	3,331,248	-
Stable value money market funds.....	117,417	-
Specialty stock fund.....	227,655	-
Vanguard brokerage option fund.....	2,628,415	-
Restricted.....	-	35,510
Contribution receivable.....	56,370	-
	42,434,561	35,510
Total Assets.....		
	42,434,561	35,510
LIABILITIES:		
Deposits payable.....	-	35,510
	-	35,510
Total Liabilities.....		
	-	35,510
NET ASSETS:		
Reserved for employees' pension benefits.....	\$ 42,434,561	\$ -

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -  
PENSION TRUST FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	<u>Pension Trust Fund</u>
ADDITIONS:	
Contributions:	
Employer.....	\$ 1,568,160
Employee, net of refunds.....	323,408
Rollover Contributions.....	<u>2,034</u>
Total Contributions.....	<u>1,893,602</u>
Investment income:	
Interest and dividends.....	898,221
Net appreciation in the fair value of plan investments.....	<u>706,372</u>
Total investment income.....	1,604,593
Less: investment expenses.....	<u>89,786</u>
Net investment income .....	<u>1,514,807</u>
Total Additions.....	<u>3,408,409</u>
DEDUCTIONS:	
Benefit payments.....	<u>2,808,006</u>
Administrative and general expenses:	
Insurance, taxes and other premiums.....	186,331
Professional fees.....	<u>72,060</u>
Total administrative and general expenses.....	<u>258,391</u>
Total Deductions.....	<u>3,066,397</u>
CHANGE IN NET ASSETS.....	342,012
NET ASSETS HELD IN TRUST FOR EMPLOYEE PENSION BENEFITS BEGINNING OF YEAR.....	<u>42,092,549</u>
END OF YEAR.....	<u>\$ 42,434,561</u>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Kirkwood, Missouri (the “City”) was formally established as the Town of Kirkwood in 1853. In 1865, the citizens requested and received a charter from the Missouri State Legislature. As a result of being incorporated, Kirkwood became a village governed by a Board of Trustees elected by the voters. The City now operates under a charter form of government adopted in 1983 in accordance with the provisions of the Missouri Constitution. The governing body is comprised of a mayor and six council members who appoint a chief administrative officer who is responsible for the day-to-day operations of the City. The City provides the following services: public safety (police and fire), engineering, streets, vehicle, building maintenance, electric, water, sanitation, parks and recreation, and general administrative services.

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The following is a summary of the more significant accounting policies:

Reporting Entity

The City’s financial reporting entity has been determined in accordance with governmental standards for defining the financial reporting entity and identifying entities to be included in its basic financial statements. These standards identify the City’s financial accountability for potential component units as the primary, but not only, criteria for inclusion. The City’s financial reporting entity consists of the City of Kirkwood (the primary government) and its component units. The component units discussed below are included in the City’s financial reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Units

The following component units are legally separate from the City, however, the activities are so intertwined with the City as the primary government that they are, in substance, the same as the primary government. As such, the balances and transactions of the component units are blended into the accompanying basic financial statements and reported in a manner similar to the balances and transactions of the City itself.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity (continued)

City of Kirkwood, Missouri Public Facilities Authority (PFA)

The PFA is a not-for-profit corporation created by Ordinance of the City Council, organized and existing under the laws of the State of Missouri. Board members are appointed by the Mayor of the City and must be approved by Council. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of Kirkwood, Missouri. Funding of such capital improvements and facilities is provided through the issuance of leasehold revenue bonds. The PFA is accounted for as if it were part of the City's operations because it was established to provide services exclusively to the City. The activities and accounts of the PFA have been blended into the City's Recreation/Facilities fund.

Downtown Special Business District (SBD)

The SBD was created by Ordinance of the City Council, organized and existing under the laws of the State of Missouri. The City Council appoints the members to the Downtown Kirkwood Special Business District Advisory Commission, approves and amends the SBD's budgets, levies the SBD's property taxes, and is responsible for fiscal management. The resources of this fund are utilized for the enhancement of the SBD and promote retail trade activities within the SBD.

Discretely Presented Component Unit

The discretely presented component unit column in the government-wide financial statements includes the financial data of the City's other component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

Industrial Development Authority of the City of Kirkwood, Missouri (IDA)

The IDA is a not-for-profit corporation established by an Ordinance of the City Council and formed under RSMo. Chapter 349, *The Industrial Development Corporations Act*. It is designed to develop, advance, encourage and promote commercial, industrial and manufacturing facilities in the City. The IDA Board of Directors are appointed by the Mayor with consent of the City Council. The City provides the IDA financial and administrative support. Separate financial statements are not prepared for the IDA. Schedules for the IDA are included in the "Other Supplementary Information" section.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related Organizations

The City's officials are also responsible for appointing members to the boards of other organizations, but the City's accountability for these organizations does not extend beyond making such appointments. The Mayor or the City Council appoints a majority of the governing members of the Municipal Library District of Kirkwood and the Kirkwood Housing Authority. These related organizations are not included as component units within the City's financial reporting entity.

The Public Park Board is an agency of the City with its Board members appointed by the Mayor and the City Council. The Park Board has the authority to adopt and amend its own budget only. The City sets and levies the Park Board's property taxes and holds all corporate powers. The Public Park Board is therefore not a legal entity and is accounted for as a separate special revenue fund.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants for goods and/or services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings and other items not properly included among program revenues are reported instead as general revenues.

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balance for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements. The City has three enterprise (business-type activity) funds which are all considered major funds. Additionally, the City has internal service funds which are reported in a separate column on the proprietary fund financial statements.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

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

General - 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.

Public Park Board - Used to account for property tax proceeds restricted specifically for park operations.

P&F Property Tax Pension - Used to account for property tax proceeds restricted specifically for police officers and firefighters pension.

Capital Improvements - This fund is used to account for financial resources designated for the acquisition or construction of major capital facilities or improvements.

Recreation/Facilities - This fund is used to account for financial resources designated for the construction of the City's recreation/facilities complex.

The other governmental funds of the City are considered nonmajor. They are special revenue funds which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, the capital project funds which account for financial resources to be used for acquisition or construction of major capital facilities and the debt service fund which is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income, changes in net assets (or cost recovery), financial position, and cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The following are the City's proprietary fund types:

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

Electric - The electric fund is used to account for the billing and collection of charges for electric services for customers of the electric utility system. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

Water - The water fund is used to account for the billing and collection of charges for water services for customers of the waterworks system. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

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

Internal Service Funds - Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City. Three internal service funds have been established to account for the payment of medical insurance, workers' compensation and city-wide vehicle and equipment maintenance and repair costs.

In the government-wide and proprietary fund financial statements, the City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following private-sector pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Service Funds (continued)

Bulletins (ARBs) of the Committee on Accounting Procedures. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Fiduciary Fund Type - Trust and Agency Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Pension trust funds are accounted for and reported similar to proprietary funds. The pension trust funds account for the City's Police Officers' and Firefighters' Pension Plan and the Employees' Pension Plan. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The City's agency funds account for municipal court collections for bail bonds, deposits collected on behalf of the trustee of the transportation development district and donations collected on behalf of the Kirkwood Disaster Relief.

Measurement Focus

Measurement focus refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements.

Government-Wide Financial Statements

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

Fund Financial Statements

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

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus (continued)

Fund Financial Statements (continued)

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use 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 Non-Exchange 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.

Non-exchange 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. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. For the City, available means expected to be received within 60 days of year end.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues - Exchange and Non-Exchange Transactions (continued)

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. For the City, available for these revenue sources means expected to be received within 30 days of year end.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Cash and Investments

The City maintains a cash and investment pool available to all City funds. For financial reporting purposes, investments are allocated in proportion to each fund's cash balance to the total cash balance.

Investments are shown at fair value. Fair value is determined by closing market prices at year-end as reported by the investment custodian.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond March 31, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Unearned Revenues

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Certain amounts received before eligibility requirements are met are reported as unearned revenues in the government-wide financial statements as well as the governmental fund statements.

Deferred Revenues

Deferred "unavailable" revenues are recognized when the revenue has been earned but is unavailable to finance expenditures of the current fiscal year. In governmental fund financial statements, property tax receivables that are not collected within 60 days following the end of the current period have been reported as deferred revenue.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Allowance for Uncollectible Accounts

The City provides an allowance for uncollectible accounts equal to the estimated collection losses that will be incurred in collection of its ambulance, court fines, property tax and enterprise fund services receivable. The estimated losses are based on historical collection experience coupled with a review of the current status of the existing receivables. The City follows the practice of writing off uncollectible accounts as they are incurred for all other receivables. The allowance for uncollectible accounts is \$172,875.

Inventory

Inventory recorded in the general fund is valued at average cost, using the first-in, first-out (FIFO) method and consist of expendable supplies held for consumption. The cost of inventory is recorded as expenditures as the individual inventory items are utilized. The reserve for inventory is equal to the inventory capitalized to indicate that a portion of the fund balance is not available for appropriation.

Inventory recorded in the enterprise funds are valued at average cost using a first-in, first-out method, and consist of materials and supplies held for consumption and construction of distribution systems.

Capital Assets

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

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 - 40 years
Building improvements	5 - 30 years
Distribution system	20 - 75 years
Machinery and equipment	3 - 15 years
Automotive equipment	3 - 10 years
Streets, bridges and sidewalks	20 - 75 years

Long-Term Liabilities

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond issuance costs, bond premiums or discounts, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using the straight-line method and the effective interest method. Bonds payable are reported adjusted by the applicable bond premium or discount and bond issuance costs.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Accumulated Unpaid Vacation, Compensatory Time, and Sick Leave

City employees earn vacation based upon their years of continuous service on a calendar year basis. Accrued vacation time is payable to employees upon termination. Based on the policy of the City, all of the accrued vacation is due within one year and is recorded in the government-wide and proprietary fund financial statements as a short-term liability. A liability is recorded in the governmental fund financial statements when payment is due.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accumulated Unpaid Vacation, Compensatory Time, and Sick Leave (continued)

City employees may earn compensatory time in lieu of overtime pay at the discretion of the Department Head. Accrued compensatory time is payable to employees upon termination. Based on the policy of the City, no employee shall be permitted to accrue more than forty (40) hours of compensatory time with the exception of law enforcement and fire protection personnel who shall not be permitted to accrue more than one hundred twenty (120) hours of compensatory time. A liability is recorded in the governmental fund financial statements when payment is due.

Sick leave accrues each month of continuous service, subject to a maximum of 130 days, and is payable during periods of illness. The City does not accrue nor is obligated for payment of accumulated sick days.

Capital Contributions

Capital contributions in the enterprise funds represent government grants, contributions and other aid to fund capital projects. In accordance with GASB 33, capital contributions are recognized as revenue when the expenditure is made and amounts became subject to claim for reimbursement.

Interfund Transactions

In the fund financial statements, the City has the following types of transactions among funds:

Transfers

Legally required transfers are reported when incurred as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services provided and used because they would be treated as revenue and expenditures or expenses if they involved organizations external to the city.

Certain internal payments are treated as program revenues, such as internal services provided and used. Certain internal payments are treated as a reduction of expense, such as reimbursements.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Transactions (continued)

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

Net Assets

In the government-wide and proprietary fund financial statements, net assets are displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

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

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.

Restricted - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Committed – This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City Council, the City's highest level of decision-making authority.

Assigned – This consists of the governmental fund balances that are intended to be used for specific purposes by a) City Council or b) Chief Administrative Officer or their designee.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

When both restricted and unrestricted resources are available, the City will spend the least restricted dollars before the restricted dollars in the following order: Unassigned, Assigned, Committed, Restricted, and then Nonspendable.

Statement of Cash Flows

The proprietary funds considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Estimates and Assumptions

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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2. CASH AND INVESTMENTS

The City is governed by the deposit and investment limitations of state law. It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. The City's policy and state law authorize the following types of investments:

- a. United States Treasury Securities for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- b. United States Agency Securities, including:
  - U.S. Government Agency Coupon and Zero Coupon Securities with no embedded options.
  - U.S. Government Agency Discount Notes purchased at a discount with maximum maturities of one (1) year.
  - U.S. Government Agency Callable Securities restricted to securities callable at par only with final maturities of five (5) years.
  - U.S. Government Agency Step-Up Securities where the coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed term. Restricted to securities with final maturities of five (5) years.
  - U.S. Government Agency Floating Rate Securities where the coupon rate floats off one index. Restricted to coupons with no interim caps that reset at least quarterly.
  - U.S. Government Mortgage Backed Securities restricted to securities with final maturities of five (5) years.
- c. Repurchase agreements with commercial banks or government securities dealers. The purchaser in a repurchase agreement enters into a contractual agreement to purchase U.S. Treasury and government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices.
- d. Collateralized public deposits (Certificates of Deposits) issued by financial institutions which state that specified sums have been deposited for specified periods of time and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by state statute.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

2. CASH AND INVESTMENTS (continued)

- e. Bankers' Acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation.
- f. Commercial Paper issued by domestic corporations, which has received the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that have total assets in excess of five hundred million dollars.

The deposits and investments held at March 31, 2012, and reported at fair value, are as follows:

<b>Type</b>	<b>Carrying Value</b>
<b>Deposits:</b>	
Demand deposits .....	\$ 12,928,616
Cash on hand .....	3,190
Non-negotiable Certificates of Deposit .....	<u>2,000,000</u>
	<u>14,931,806</u>
<b>Pooled Investments:</b>	
Money Market Mutual Funds .....	2,322,309
Negotiable Certificates of Deposit .....	4,775,062
Federal Agricultural Mortgage Corporation .....	997,560
Federal Farm Credit Banks .....	996,180
Federal Home Loan Banks .....	12,835,261
Federal Home Loan Mortgage Corporation .....	1,003,560
Federal National Mortgage Association .....	<u>6,505,595</u>
	<u>29,435,527</u>
<b>Pension Trust Investments:</b>	
Mutual funds:	
Short-Term reserves .....	4,181,433
Vanguard brokerage option funds .....	2,628,415
International stock funds .....	3,331,248
Balanced funds .....	9,111,571
Bond funds .....	4,127,896
Stable value money market funds .....	117,417
Specialty stock fund .....	227,655
Domestic stock funds .....	<u>18,652,556</u>
	<u>42,378,191</u>
<b>Total Deposits and Investments .....</b>	<b><u>\$86,745,524</u></b>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

2. CASH AND INVESTMENTS (continued)

Type	Carrying Value
<b>Reconciliation to the Financial Statements:</b>	
Statement of Net Assets:	
Cash and Investments:	
Governmental Activities .....	\$20,885,780
Business-Type Activities .....	23,329,397
Component Unit.....	116,646
Statement of Fiduciary Net Assets:	
Cash and Investments:	
Held by trustees – Pension Trust Funds.....	42,378,191
Restricted:	
Agency Fund.....	35,510
	<u>\$86,745,524</u>

Since the investment strategies and associated risks for the City Pension Investment portfolios are substantially different than those of the remainder of the City, the investment disclosures for the Pension Investment Portfolios are presented separately.

*Custodial Credit Risk- Deposits* - Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. As of March 31, 2012, the City’s bank balance of \$15,215,698, including \$116,646 of the component unit, was fully insured by depository insurance and collateralized with securities held by the City’s agent in the City’s name.

*Custodial Credit Risk - Investments* - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in the possession of the outside party. The City’s policy to minimize credit risk is to pre-qualify the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business and diversify the portfolio so that potential losses on individual securities will be minimized. The City’s investments were not exposed to custodial credit risk this year.

*Investment Interest Rate Risk* - The City’s policy to limit investment interest rate risk is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations. Investments in bankers’ acceptances and commercial paper shall mature and become payable not more than one hundred eighty days (180) from the date of purchase. All other investments shall mature and become payable not more than five (5) years from the date of purchase. Maturities of investments held at March 31, 2012 are as follows:

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

2. CASH AND INVESTMENTS (continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 – 5</u>
Money Market Mutual Funds.....	\$ 2,322,309	\$2,322,309	\$ --
Negotiable Certificates of Deposit.....	4,775,062	1,140,658	3,634,404
Federal Farm Credit Banks.....	996,180	--	996,180
Federal Home Loan Banks.....	12,835,261	--	12,835,261
Federal Home Loan Mortgage Corp....	1,003,560	--	1,003,560
Federal National Mortgage Association	6,505,595	--	6,505,595
Federal Agricultural Mortgage	997,560	--	997,560

*Investment Credit Risk* - The City's investment policy and state law limit its investment choices, as documented above. At March 31, 2012, the City's investments in U.S. Agency obligations not directly guaranteed by the U.S. Government and investments in money market accounts were rated as follows:

<u>Rating</u>	<u>Amount</u>
AAA	\$22,338,156

*Concentration of Investment Credit Risk* - Concentration of credit risk is required to be disclosed by the City for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the US Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

It is the City's policy to diversify the portfolio so that potential losses on individual securities will be minimized. No more than 5% of the total market value of the portfolio may be invested in bankers' acceptances issued by any one commercial bank and no more than 5% of the total market value of the portfolio may be invested in commercial paper of any one issuer.

At March 31, 2012, the City had the following investments that were more than 5% of the City's total investments:

<u>Description</u>	<u>Concentration</u>
Federal Home Loan Banks.....	43.6%
Federal National Mortgage Association.....	22.1%

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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2. CASH AND INVESTMENTS (continued)

**Pension Trust Investments**

The Pension Trust Funds are governed by Articles I and II, Chapter 18 ½ of the Kirkwood Code of Ordinance and state law. The Pension Trust funds consist of the Police Officers' and Firefighters' Pension Plan and the Employees' Pension Plan.

The Police Officers' and Firefighters' Pension Plan is authorized to invest in the following types of investments:

- a. Stock funds, which are primarily invested in common stocks of publicly traded companies, as well as securities that can be converted into common stocks.
- b. Bond funds that typically include U.S. Treasury obligations, obligations of government sponsored entities, Federal Agency obligations, corporate notes, debentures, preferred stocks, mortgage backed securities, asset backed securities, commercial paper and commercial bank Certificates of Deposit.
- c. Balanced funds that typically invest in a combination of stocks and bonds.
- d. Stable Asset funds that typically include contracts (GICs) issued by banks and top-rated insurance companies as well as synthetic GICs backed by top rated banks and insurance companies.
- e. Money market funds that typically invest in short term cash alternatives.

The Employees' Pension Plan is authorized to invest in Equity Securities and Fixed Income securities.

*Custodial Credit Risk* - The plans do not have a specific policy addressing custodial credit risk. Neither the Pension Trust's bank balances nor its investments were subject to custodial credit risk this year.

*Investment Interest Rate Risk* - The plans require active managers to manage the effective duration of their portfolio type comparable to their peers and relative to specific indices outlined in the Plan's policies. As of March 31, 2012, the Pension Trust investments were all in mutual funds which have no maturity date.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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2. CASH AND INVESTMENTS (continued)

**Pension Trust Investments (continued)**

*Investment Credit Risk* - The plans investment policies limit its investment choices, as documented above. As of March 31, 2012, the Pension Trust investments were all in mutual funds which are not rated.

*Concentration of Investment Credit Risk* - Participation accounts are self directed by the participants. Investments used to fund future uplift benefits for the two retirement plans are limited as follows:

Police Officers' and Firefighters' Retirement Plan

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Equity Total:	55%	65%	75%
Mid Cap Equity	0%	10%	20%
Small Cap Equity	0%	10%	20%
International Equity	0%	15%	20%
Fixed Income:			
Including GICs	25%	35%	45%

Civilian Employees' Retirement Plan

<u>Asset Class</u>	<u>Pension Fund Guidelines</u>	<u>Range</u>
Equity Investments	70%	60-80%
Fixed Income Investments	30%	20-40%

Concentration of credit risk is not required to be disclosed for investments in mutual funds.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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3. PROPERTY TAX

The City's property tax is levied annually on or before October 1 based on the assessed valuation of all real and personal property located in the City as of the previous January 1. Assessed valuations are established by the St. Louis County Assessor. Kirkwood citizen's approved a 34 cent property tax to be used for General Government Services. Council certified 27.6 cents of this 34 cent authorization to generate two million dollars in property tax revenues to be used for General Government services. The City's tax rate per \$100 of assessed valuation is levied as follows:

	Real Estate		<u>Personal Property</u>
	<u>Residential</u>	<u>Commercial</u>	
General government services.....	\$.276	\$.273	\$.276
Maintenance and operation of parks.....	.130	.129	.130
Police Officers' and Fire Fighters' Retirement Fund.....	.119	.136	.172
Debt service.....	<u>.078</u>	<u>.078</u>	<u>.078</u>
	<u>\$.603</u>	<u>\$.616</u>	<u>\$.656</u>

Additionally, the SBD levies an additional tax of 45.6 cents per \$100 assessed valuation for businesses in the SBD.

Taxes are billed October 1, are due and collectible on December 31, and are delinquent and represent a lien on related property on January 1 of the following year. Taxes are billed, collected, and remitted to the City by the St. Louis County Collector.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2012:

	Balance April 1, 2011	Additions and Transfers	Disposals and Transfers	Balance March 31, 2012
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land.....	\$ 5,772,960	\$ -	\$ -	\$ 5,772,960
Construction in Progress.....	3,259,880	2,793,997	2,860,350	3,193,527
Total Capital Assets, Not Being Depreciated.....	9,032,840	2,793,997	2,860,350	8,966,487
Capital Assets, Being Depreciated:				
Buildings.....	26,238,773	1,914,413	-	28,153,186
Buildings improvements.....	9,988,161	1,316,041	-	11,304,202
Machinery and equipment.....	5,853,253	692,455	160,316	6,385,392
Automotive equipment.....	6,404,465	349,219	573,783	6,179,901
Infrastructure.....	36,399,052	1,476,327	570,658	37,304,721
Total Capital Assets, Being Depreciated.....	84,883,704	5,748,455	1,304,757	89,327,402
Less - Accumulated Depreciation For:				
Buildings.....	10,162,730	858,308	-	11,021,038
Buildings improvements.....	1,695,403	379,718	-	2,075,121
Machinery and equipment.....	4,255,805	285,738	133,699	4,407,844
Automotive equipment.....	3,275,347	498,395	530,712	3,243,030
Infrastructure.....	18,664,018	687,506	562,815	18,788,709
Total Accumulated Depreciation.....	38,053,303	2,709,665	1,227,226	39,535,742
Total Capital Assets, Being Depreciated, Net.....	46,830,401	3,038,790	77,531	49,791,660
Governmental Activities, Capital Assets, Net.....	\$ 55,863,241	\$ 5,832,787	\$ 2,937,881	\$ 58,758,147

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

4. CAPITAL ASSETS (continued)

	Balance April 1, 2011	Additions and Transfers	Disposals and Transfers	Balance March 31, 2012
Business-Type Activities:				
Electric:				
Capital Assets, Not Being Depreciated:				
Land and land rights.....	\$ 186,666	\$ -	\$ 1,200	\$ 185,466
Construction in Progress.....	2,535,560	-	466,780	2,068,780
Total Capital Assets, Not Being Depreciated.....	2,722,226	-	467,980	2,254,246
Capital Assets, Being Depreciated:				
Buildings .....	311,829	90,012	103,950	297,891
Distribution system.....	5,886,948	720,406	271,629	6,335,725
Machinery and equipment.....	2,337,797	-	472,256	1,865,541
Automotive equipment.....	729,856	261,796	21,084	970,568
Traffic Lights/Street Lights.....	17,475	-	-	17,475
Total Capital Assets, Being Depreciated.....	9,283,905	1,072,214	868,919	9,487,200
Less - Accumulated Depreciation For:				
Buildings.....	311,830	411	103,950	208,291
Distribution system.....	3,863,608	165,575	271,629	3,757,554
Machinery and equipment.....	1,930,701	78,305	422,626	1,586,380
Automotive equipment.....	552,697	100,401	18,976	634,122
Traffic Lights/Street Lights.....	2,796	699	-	3,495
Total Accumulated Depreciation.....	6,661,632	345,391	817,181	6,189,842
Total Capital Assets Being Depreciated, Net.....	2,622,273	726,823	51,738	3,297,358
Electric:				
Capital Assets, Net.....	5,344,499	726,823	519,718	5,551,604
Water:				
Capital Assets, Not Being Depreciated:				
Land and land rights.....	31,274	-	-	31,274
Construction in Progress*.....	1,091,276	2,661,670	-	3,752,946
Total Capital Assets, Not Being Depreciated.....	1,122,550	2,661,670	-	3,784,220
Capital Assets, Being Depreciated:				
Buildings .....	88,534	90,009	-	178,543
Distribution system.....	11,375,124	278,775	4,182	11,649,717
Improvements other than buildings.....	246,758	-	-	246,758
Machinery and equipment.....	264,828	27,274	-	292,102
Automotive equipment.....	631,830	-	41,841	589,989
Total Capital Assets, Being Depreciated.....	12,607,074	396,058	46,023	12,957,109

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

4. CAPITAL ASSETS (continued)	Balance April 1, 2011	Additions and Transfers	Disposals and Transfers	Balance March 31, 2012
Business-Type Activities (continued):				
Water (continued):				
Less - Accumulated Depreciation For:				
Buildings .....	42,402	3,704	-	46,106
Distribution system.....	2,811,110	226,909	4,019	3,034,000
Improvements other than buildings.....	77,951	10,471	-	88,422
Machinery and equipment.....	162,652	17,077	-	179,729
Automotive equipment.....	410,752	52,612	37,657	425,707
Total Accumulated Depreciation.....	<u>3,504,867</u>	<u>310,773</u>	<u>41,676</u>	<u>3,773,964</u>
Total Capital Assets Being Depreciated, Net.....	<u>9,102,207</u>	<u>85,285</u>	<u>4,347</u>	<u>9,183,145</u>
Water Capital Assets, Net.....	<u>10,224,757</u>	<u>2,746,955</u>	<u>4,347</u>	<u>12,967,365</u>
Sanitation:				
Capital Assets, Not Being Depreciated:				
Land and land rights.....	134,057	-	-	134,057
Total Capital Assets, Not Being Depreciated.....	<u>134,057</u>	<u>-</u>	<u>-</u>	<u>134,057</u>
Capital Assets, Being Depreciated:				
Buildings .....	162,910	-	-	162,910
Machinery and equipment.....	301,749	243,810	-	545,559
Automotive equipment.....	1,136,984	361,552	220,729	1,277,807
Total Capital Assets, Being Depreciated.....	<u>1,601,643</u>	<u>605,362</u>	<u>220,729</u>	<u>1,986,276</u>
Less - Accumulated Depreciation For:				
Buildings .....	70,223	4,502	-	74,725
Machinery and equipment.....	201,976	12,145	-	214,121
Automotive equipment.....	389,957	155,083	207,870	337,170
Total Accumulated Depreciation.....	<u>662,156</u>	<u>171,730</u>	<u>207,870</u>	<u>626,016</u>
Total Capital Assets Being Depreciated, Net.....	<u>939,487</u>	<u>433,632</u>	<u>12,859</u>	<u>1,360,260</u>
Sanitation Capital Assets, Net.....	<u>1,073,544</u>	<u>433,632</u>	<u>12,859</u>	<u>1,494,317</u>
Business-Type Activities, Capital Assets, Net.....	<u>\$ 16,642,800</u>	<u>\$ 3,907,410</u>	<u>\$ 536,924</u>	<u>\$ 20,013,286</u>

\*Water construction in progress includes capitalized interest of \$103,441.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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4. CAPITAL ASSETS (continued)

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

Government Activities:

General government.....	\$ 227,921
Purchasing.....	4,438
Building maintenance.....	15,977
Building commissioner.....	6,381
Engineering.....	7,909
Police.....	126,488
Fire.....	487,473
Streets.....	964,845
Recreation.....	514,864
Parks.....	353,369

Total depreciation expense - governmental-type activities..... \$ 2,709,665

Business-Type Activities:

Electric.....	\$ 257,887
Water.....	310,773
Sanitation.....	171,730

Total depreciation expense - business-type activities..... \$ 740,390

Automotive equipment of \$94,787 and related accumulated depreciation of \$87,504 was transferred to Electric.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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5. EMPLOYEES' RETIREMENT SYSTEMS

Civilian

The City maintains a defined contribution multiple employer Employees' Pension Plan (PLAN) which covers all non-uniformed employees of the City of Kirkwood, the Kirkwood Public Library, and the Kirkwood Housing Authority. Employees are eligible for participation upon completing 500 hours of service in a consecutive six month period. At March 31, 2012, there were 186 active Plan members, 32 terminated members, 10 retired members, and 3 disabled members.

The PLAN receives contributions from the City, in accordance with City ordinances, in an amount equal to 6.5% of each participating employee's gross wages. Vesting of employer contributions occurs after five years of service.

Nonvested participant accounts are forfeited to the PLAN upon termination of employment. The forfeited amounts reduce the City's required contribution in the year of termination. In the current year, the amount of forfeitures used for contributions was \$4,530.

Retirement benefits are paid either as a lump-sum, series of substantially equal installments, or an annuity with optional surviving spouse benefits. The PLAN purchases annuities for retirees who choose the annuity form of retirement payment. These annuities are not reflected in the assets of the PLAN. The PLAN also provides for disability and life insurance.

Participants may choose to have funds invested on their behalf in any one of the following, or any combination thereof, types of investments of open-end mutual funds: Short-term reserves, bond funds, balanced funds (stocks and bonds), domestic stock funds and international stock funds.

A summary of contributions and percentage of covered plan payroll of the City is presented below for fiscal year 2012:

Contributions required	\$615,167
Less: Forfeitures used	<u>4,530</u>
Contributions made	<u>\$610,637</u>
Contribution required as a percent of covered payroll - City	6.5%

The PLAN issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Kirkwood, 139 South Kirkwood Road, Kirkwood, Missouri 63122.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Civilian Plan for Retirees of Previous Plan

Effective April 1, 1987, the City terminated its Civilian Employees Defined Benefit Retirement Plan (former plan) and established the defined contribution plan as described above. Annuities were purchased for all retired participants to provide benefits equal to the amount received under the terminated former plan. For active participants, initial contributions were made to the new defined contribution plan equaling the amount determined to be actuarially equivalent to the accrued benefits of the former plan. The remaining assets of the former plan were segregated in a separate fund and may be used for the following:

- Disability insurance premiums
- Group life insurance premiums
- Discretionary uplift benefits to retirees
- Certain administrative expenses of the plan

Effective April 1, 1988, the City enacted Ordinance No. 7788 which provides supplemental pension benefits to those retirees and terminated vested participants who had received annuity payments under the terminated former plan. The effects of this Ordinance were to increase monthly benefits to retirees who were receiving benefits prior to January 1, 1987 to 2% times the number of years retired (or portion thereof) at April 1, 1988. Ordinance No. 8160 subsequently provided a 7% increase in benefits to a retiree effective January 1, 1992.

Annuities were purchased for all retired and terminated vested participants to provide uplift benefits.

Effective January 1, 1996, the City enacted Ordinance No. 8474 which provides an additional monthly benefit increase by an amount equal to 5% of the amount of the monthly benefits being paid to such retirees as of July 1, 1995 for those retirees receiving benefits on or about April 1, 1987. Ordinance No. 8474 also provides a lump-sum retroactive payment equivalent to such monthly increase for the period from July 1, 1995 to December 31, 1995.

Annuities were purchased for all retired participants to provide uplift benefits.

Effective July 1, 1997, the City enacted Ordinance No. 8661 which provides an additional monthly benefit increase, in an amount equal to 5.5% of the amount of the monthly benefits being paid to such retirees as of July 1, 1997, for those retirees receiving benefits on or about April 1, 1987.

Annuities were purchased for all retired participants to provide uplift benefits.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Civilian Plan for Retirees of Previous Plan (continued)

During 2002, the City engaged a consulting actuary to perform a calculation as to the future benefit obligations of the segregated fund based upon the assumptions that current disability and group life insurance premiums and certain administrative expenses would continue for 25 or 50 years. The calculated reserve is as follows:

	<u>25 Years</u>	<u>50 Years</u>
Future benefit obligation	<u>\$1,631,000</u>	<u>\$2,429,000</u>

Actuarial assumptions used in the calculation are as follows:

Interest rate on invested assets:	6.5% per annum
Inflation rate:	3.5% per annum
Mortality rates:	1983 GAM
LTD benefit changes:	It was assumed that the annual maximum benefit will be increased by 3.5% per annum
Benefit payout period:	25 or 50 years
Discount rate:	6.5% per annum

At March 31, 2012, the fair value of assets available to fund future uplift payments and other benefits was \$4,286,325 and are included in the accompanying fiduciary fund financial statements.

Police Officers' and Firefighters' Pension Plan For Active Participants

The City maintains a defined contribution single employer Police Officers' and Firefighters' Pension Plan (PLAN) which covers all City commissioned police officers and salaried fire fighters. Participation in the PLAN occurs upon completion of 500 hours of service in a consecutive six-month period. At March 31, 2012, there were 107 active Plan members, 22 terminated members, 2 retired members and 1 disabled member.

The PLAN is funded in accordance with City ordinances from taxes levied for such purpose and employee contributions. City contributions to participant accounts are established at an amount equal to the current social security rate for civilian employees, in addition to 6.5% of employee participant gross wages. Employee contributions are established at an amount equal to the current social security withholding percentages.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Police Officers' and Firefighters' Pension Plan For Active Participants (continued)

Vesting of employee contributions and initial account balances occurs immediately. Vesting of employer contributions occurs after five years of service. Retirement benefits are paid either as a lump-sum, a series of substantially equal installments, or as an annuity with optional surviving spouse benefits. The PLAN purchases annuities for retirees who choose the annuity form of retirement payment. These annuities are not included in the assets of the PLAN. The PLAN also provides for disability and life insurance.

Non-vested participant accounts are forfeited to the Plan upon termination of employment. The forfeited amounts reduce the City's required contributions in the year of termination. In the current fiscal year, the amount of forfeitures used for contributions was \$5,368.

Participants may choose to have funds invested on their behalf in any one of the following, or any combination thereof, types of investments of open end mutual funds: Equity bonds, bond funds, balanced funds, stable asset funds and money market funds.

A summary of contributions and percentage of covered Plan payroll of the City is presented below for fiscal year 2012:

Contributions made and required:	
City contribution required	\$ 962,891
Less: Forfeitures used	5,368
City contributions made	<u>\$ 957,523</u>
Employees' contribution made and required	\$ 323,408
Contribution required as a percent of covered payroll:	
City	12.7%
Employees	4.2%

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Kirkwood, 139 South Kirkwood Road, Kirkwood, Missouri 63122.

Police Officers' and Firefighters' Pension Plan For Retirees of Previous Plan

Effective April 1, 1987, the City terminated its Policemen and Firemen Defined Benefit Retirement Plan (former plan) and established the defined contribution plan as described above. Annuities were purchased for all retired participants to provide benefits equal to the amount received under the terminated former plan. For active participants, initial contributions were made to the new defined contribution plan equaling an amount determined to be actuarially equivalent to the accrued benefits of the former plan. The remaining assets of the former plan were segregated in a separate fund and may be used for the following:

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Police Officers' and Firefighters' Pension Plan For Retirees of Previous Plan (continued)

- Disability insurance premiums
- Group life insurance premiums
- Discretionary uplift benefits to retirees
- Certain administrative expenses of the plan

Effective April 1, 1988, the City enacted Ordinance No. 7788 which provides supplemental pension benefits to those retirees and terminated vested participants who had received annuity payments under the terminated former plan. Ordinance No. 8096 provided a 6% increase in benefits to a retiree effective October 1, 1991. The effects of these Ordinances were as follows:

1. Increased monthly benefits to retirees who were receiving benefits prior to December 31, 1977 to one-half the salary of a Kirkwood police officer at March 31, 1987.
2. Increased monthly benefits to retirees and terminated vested participants who retired under the former plan enacted in 1978 to reflect an additional rank accrual monthly benefit of \$38.50.

Effective June 30, 1995, the City enacted Ordinance No. 8431 which provides an additional monthly benefit increase in an amount equal to 6% of the amount of the monthly benefit being paid to such retirees as of June 30, 1995 for those retirees receiving benefits on or before April 1, 1987.

Effective July 1, 1997, the City enacted Ordinance No. 8661 which provides an additional monthly benefit increase, in an amount equal to 5.5% of the amount of the monthly benefits being paid to such retirees as of July 1, 1997, for those retirees receiving benefits on or before April 1, 1987.

Annuities were purchased for all retired and terminated vested participants to provide uplift benefits.

During 2002, the City engaged a consulting actuary to perform a calculation as to the future benefit obligations of the assumption that current disability and group life insurance premiums and certain administrative expenses would continue for 25 or 50 years. The calculated reserve was as follows:

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Police Officers' and Firefighters' Pension Plan For Retirees of Previous Plan (continued)

	<u>25 Years</u>	<u>50 Years</u>
Future benefit obligation	<u>\$1,776,000</u>	<u>\$2,645,000</u>

Actuarial assumptions used in the calculation are as follows:

Interest rate on invested assets:	6.5% per annum
Inflation rate:	3.5% per annum
Mortality rates:	1983 GAM
LTD benefit changes:	It was assumed that the annual maximum benefit will be increased by 3.5% per annum
Benefit payout period:	25 or 50 years
Discount rate:	6.5% per annum

At March 31, 2012, the fair value of plan assets available to fund future uplift payments and other benefits was \$4,635,934 and are included in the accompanying fiduciary fund financial statements.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

6. LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities for the year ended March 31, 2012:

	Original Issuance Amounts	Balance - April 1, 2011	Additions	Retirements	Balance - March 31, 2012	Current Portion
Governmental Activities:						
General Obligation Bonds:						
Series 2009 Refunding	4,185,000	4,140,000	-	(410,000)	3,730,000	420,000
PFA Leasehold Revenue Bonds:						
Series 2004	10,245,000	5,980,000	-	(670,000)	5,310,000	690,000
Tax Increment Revenue Bonds and Notes:						
Series 1996B	1,290,000	125,000	-	(125,000)	-	-
Series 1996C	240,000	240,000	-	(230,000)	10,000	10,000
Series 1998	4,000,000	2,803,000	-	(205,000)	2,598,000	110,000
Accrued compensated absences	-	411,570	957,921	(990,430)	379,061	308,935
	<u>\$ 19,960,000</u>	<u>13,699,570</u>	<u>957,921</u>	<u>(2,630,430)</u>	<u>12,027,061</u>	<u>\$ 1,538,935</u>
Less: Unamortized discount, net		(68,264)	-	8,533	(59,731)	
Deferred amount on refunding, net		(342,150)	-	46,567	(295,583)	
Total Governmental Activities		<u>\$ 13,289,156</u>	<u>\$ 957,921</u>	<u>\$ (2,575,330)</u>	<u>\$ 11,671,747</u>	
Business-Type Activities:						
Certificate of Participation:						
Series 2005	\$ 4,085,000	\$ 3,530,000	\$ -	\$ (120,000)	\$ 3,410,000	\$ 125,000
Series 2009	6,450,000	6,215,000	-	(235,000)	5,980,000	240,000
Accrued compensated absences	-	88,073	285,534	(287,430)	86,177	70,234
	<u>\$ 10,535,000</u>	<u>9,833,073</u>	<u>285,534</u>	<u>(642,430)</u>	<u>9,476,177</u>	<u>\$ 435,234</u>
Less: Unamortized discount, net		(115,655)	-	5,951	(109,704)	
Total Business-Type Activities		<u>\$ 9,717,418</u>	<u>\$ 285,534</u>	<u>\$ (636,479)</u>	<u>\$ 9,366,473</u>	

Compensated absences are liquidated from the fund where employees are assigned. In prior fiscal years the liability for compensated absences have been liquidated from the general, public park board, downtown special business district, and capital improvement governmental funds.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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6. LONG-TERM LIABILITIES (continued)

General Obligation Bonds

General obligation bonds are obligations of the City, and the full faith credit, and resources of the City have been pledged to the payment of principal of and interest on the bonds and payable are comprised of the following issues:

On December 1, 2009, the City issued \$4,185,000 in General Obligation Refunding Bonds, Series 2009 with interest rates ranging between 1.00% and 3.35%. The City issued the bonds to advance refund \$4,140,000 of the outstanding principal on the General Obligation Bonds, Series 2001, maturing on March 1, 2012 and thereafter. The net proceeds of \$4,099,098 (after discount of \$27,202 and bond issuance cost of \$58,700) plus an additional \$311,200 of City debt service fund monies were used to purchase United States government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service on the refunded portion of the Series 2001 bonds. As a result, that portion of the Series 2001 bonds is considered defeased, and the City has removed the liability from the government activities statement of net assets. The defeased bonds were redeemed on March 1, 2012.

Public Facilities Authority (PFA) Leasehold Revenue Bonds Payable

On May 22, 1992, the PFA was formed as a Missouri not-for-profit corporation. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of Kirkwood, Missouri. Funding of such capital improvements and facilities has been provided through the issuance of leasehold revenue bonds. The leasehold revenue bonds do not constitute a legal debt or liability for the City, the State of Missouri, or for any political subdivision thereof and do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the leasehold revenue bonds does not obligate the City to levy any form of taxation therefore or to make any appropriation for their payment in any fiscal year. The PFA has no taxing power. The activities and accounts of the PFA have been blended into the City's recreation/facilities fund.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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6. LONG-TERM LIABILITIES (continued)

Public Facilities Authority (PFA) Leasehold Revenue Bonds Payable (continued)

In March 2004, the City issued \$10,245,000 in Leasehold Revenue Refunding Bonds (Series 2004) for the purpose of providing funds to redeem in full the City's outstanding principal amount of \$9,720,000 on its 1998 PFA Leasehold Revenue Bonds. The bonds mature on September 1, 2018 and bear interest at varying rates from 0.95% to 3.65%.

Principal and Interest Requirements on Long-Term Debt

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

Governmental Activities

<u>Year ending March 31,</u>	<u>General Obligation Bonds Payable/ Leasehold Revenue Bonds Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013 .....	\$ 1,110,000	\$ 266,894	\$ 1,376,894
2014 .....	1,135,000	239,558	1,374,558
2015 .....	1,170,000	208,885	1,378,885
2016 .....	1,210,000	174,370	1,384,370
2017 .....	1,250,000	135,977	1,385,977
2018 - 2020 .....	<u>3,165,000</u>	<u>161,418</u>	<u>3,326,418</u>
Total.....	<u>\$ 9,040,000</u>	<u>\$ 1,187,102</u>	<u>\$ 10,227,102</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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6. LONG-TERM LIABILITIES (continued)

Tax Increment Financing (TIF) Bonds and Notes Payable

All tax increment financing bonds and notes payable are payable from payments in lieu of taxes and economic activity taxes collected by the TIF District special revenue funds and are comprised of the following individual issues:

During fiscal year 1997, the City issued \$2,580,000 Tax Increment Revenue Bonds (Bonds). The bonds have an interest rate of 7.5% with final maturity on March 1, 2015. The purpose of the 1996 Series Bonds is to finance the cost of the Pioneer Place redevelopment project. The principal and interest on these Bonds will be repaid from two Special Allocation Accounts: the "PILOTS" account which consists of payments in lieu of taxes attributable to the increase in assessed valuation of the existing building on the Pioneer Place site and the "EATS" account which consists of 50% of the additional revenue from taxes imposed by the City and other taxing districts which are generated by activity in the Pioneer Place. Since annual repayment amounts will be determined based upon future revenues, a schedule of debt service requirements to maturity cannot be established.

On September 1, 1998, the City issued \$4,000,000 in Public Improvement Revenue Notes. These notes represent special, limited obligations of the City, payable solely from the incremental sales taxes generated by the Kirkwood Commons redevelopment project. The notes bear interest at 8.5% with final maturity on November 30, 2017. The annual debt service repayments of the notes are contingent upon the amounts of payments in lieu of taxes collected by the special revenue fund. If funds are not available to pay all of the interest that is due, the amount unpaid is added to the principal balance.

Certificates of Participation

In September 2005, Certificates of Participation Series 2005 ("COPS") in the amount of \$4,085,000 were issued evidencing interest in the right to receive rental payments to be paid by the City of Kirkwood, Missouri pursuant to an annually renewable Lease-Purchase Agreement (the "Agreement") dated September 1, 2005, between UMB Bank, as lessor, and the City, as lessee. The proceeds of the Certificates were used to pay costs of constructing, furnishing, improving and expanding the City's waterworks (collectively, the "Project"), to fund a debt service reserve fund for the Certificates and to pay the costs of delivery of the Certificates. The Certificates bear interest at rates ranging from 2.8% to 4.30% and mature through 2031.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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6. LONG-TERM LIABILITIES (continued)

Certificates of Participation (continued)

In conjunction with this issuance, the City entered into a lease agreement (“Base Lease”) to lease to the trustee the leased property and the trustee will sublease the leased property, including all improvements constructed or installed on the leased property, including the Project, back to the City pursuant to the Agreement. The Base Lease provides for, among other things, rental income equal to the COPS proceeds and a term that ends on the earlier of (a) the date when all the Series 2005 Certificates have been paid in full or provision for payment thereof has been made or (b) September 1, 2050. Terms of the Agreement include, among other things, rental payments equal to the principal and interest amounts of the COPS issuance, the initial rental term ending March 31, 2007 with renewal options for twenty-four (24) consecutive one-year renewal terms with the last term commencing April 1, 2006 and ending September 2, 2030. Termination provisions including rental prepayment for all of the unpaid COPS principal and interest amounts and an option to purchase the leased property from March 1 to April 30, annually. In addition, the Agreement provides that the City’s obligations are year to year and such obligations do not extend beyond the amount budgeted in the City’s budgeted expenditures for any respective fiscal year.

The American Recovery and Reinvestment Act of 2009 authorizes the City to issue taxable obligations known as “Build America Bonds” to finance capital expenditures for which it could otherwise issue tax-exempt obligations and to elect to receive a subsidy payment on each payment date, from the United States Treasury equal to 35% of the amount of each interest payment on the Build America Bonds. The City made an irrevocable election to issue the Certificates as Build America Bonds. The US Treasury Interest Subsidy will be paid directly to the City. The City intends to apply, but has not pledged, the US Treasury Interest Subsidy to payment of the Certificates. Additionally, no holder of any Build America Bonds issued by the City will be entitled to any federal income tax credits associated with the Build America Bonds.

On September 1, 2009, Taxable Certificates of Participation (“COPS”), Series 2009, in the amount of \$6,450,000 were issued evidencing proportionate ownership interests in the right to receive basic rent to be paid by the City pursuant to an annually renewable Taxable Lease/Purchase Agreement.

The purpose of the Series 2009 Certificates is to finance the cost of constructing a water tower and all appurtenances thereto, the construction of water mains and the costs of delivery of the Series 2009 Certificates. The Series 2009 Certificates are taxable, bear interest rates ranging from 1.5% to 6.05% and mature September 1, 2030.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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6. LONG-TERM LIABILITIES (continued)

Certificates of Participation (continued)

In conjunction with the issuance of these Certificates, the City entered into a base lease agreement to lease to UMB Bank, N.A. (the "Trustee") the real estate on which the water tower will be located. The Trustee has subleased the real estate and all improvements thereon back to the City pursuant to the Lease/Purchase Agreement. The base lease provides for, among other things, rental income equal to the COPS proceeds and a term that ends September 1, 2050 or after the City has paid either the option price or all the basic and supplemental rent payments. Terms of the Lease/Purchase Agreement include, among other things, rental payments equal to the principal and interest amounts of the COPS issuance including supplemental rental payments to cover trustee fees, taxes, repair and maintenance costs, insurance, and amounts needed to meet applicable reserve requirements. The Lease/Purchase Agreement also provides for an initial rental term ending March 31, 2012 with annual renewal options not to extend beyond September 1, 2030.

The Certificates of Participation mature through 2031 as follows:

Business-Type Activities

Year Ending March 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013.....	\$ 365,000	\$ 439,811	\$ 804,811
2014.....	370,000	429,080	799,080
2015.....	380,000	416,941	796,941
2016.....	395,000	402,845	797,845
2017.....	405,000	387,136	792,136
2018 – 2022.....	2,235,000	1,655,352	3,890,352
2023 – 2027.....	2,680,000	1,059,031	3,739,031
2028 – 2031.....	<u>2,560,000</u>	<u>283,504</u>	<u>2,843,504</u>
Total.....	<u>\$ 9,390,000</u>	<u>\$5,073,700</u>	<u>\$14,463,700</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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6. LONG-TERM LIABILITIES (continued)

Legal Debt Margin

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

Assessed valuation - 2011 tax year.....		<u>\$689,316,660</u>
Debt limit - 10% of assessed valuation .....		\$ 68,931,666
Amount of debt applicable to debt limit:		
Total general obligation bonded debt.....	3,730,000	
Less: Amount available in debt service fund.....	<u>(716,667)</u>	
Bonded indebtedness applicable to debt limit.....		<u>3,013,333</u>
Legal Debt Margin.....		<u>\$ 65,918,333</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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7. RESTRICTED CASH AND INVESTMENTS

(A) The following trustee held accounts have been established in accordance with the Indenture related to the Public Improvement Revenue Notes Series 1998 (Kirkwood Commons Project):

Revenue Fund

The Revenue Fund will be used for the purpose of providing monies to the trustee for payments in accordance with the trust Indenture. At March 31, 2012, cash and investment in the Revenue Fund total \$222,722 in the Kirkwood Commons TIF Special Revenue Fund.

Debt Service Fund

The Debt Service Fund shall be used by the Trustee for the sole purpose of paying the principal of and interest on the notes, as and when the same become due. At March 31, 2012, there were no cash or investments in the Debt Service Fund in the Kirkwood Commons TIF Special Revenue Fund.

(B) The following trustee held accounts have been established in accordance with the Indenture related to the PFA Leasehold Revenue Bonds Series 2004:

Bond Fund

The Bond Fund consists of rental payments payable by the City, interest from investments, interest from investments transferred by the Bond Reserve Fund and transfer of amounts in the Bond Reserve Fund in excess of the bond reserve requirement. All amounts credited to and deposited in the Bond Fund shall be used by the trustee for the sole purpose of paying the principal of and interest on the bonds, as and when the same become due. At March 31, 2012, cash or investments in the Bond Fund total \$17 in the Recreation/Facilities Capital Improvement Fund.

Bond Reserve Fund

The Indenture required that a Bond Reserve Fund be established in the original amount of \$875,842. Monies in the Bond Reserve Fund shall be disbursed and expended by the Trustee solely for the payment of the principal of and interest on the bonds to the extent of any deficiency in the Bond Fund for such purpose. The Trustee may disburse and expend monies from the Bond Reserve Fund for such purpose whether or not the amount in the Bond Reserve Fund at that time equals the Bond Reserve requirement. At March 31, 2012, cash and investments in the Bond Reserve Fund was \$875,843.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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7. RESTRICTED CASH AND INVESTMENTS (continued)

(C) The following trustee held accounts have been established in accordance with the Bond ordinances requirement that receipts generated from operations be segregated and the 1996(a) (b) (c) Tax Increment Bonds and the related trust Indenture:

Revenue Fund

The Revenue Fund will be used for the purpose of providing monies to the trustee for payments in accordance with the trust Indenture. At March 31, 2012, cash and investment in the Revenue Fund total \$15,119 in the Pioneer Place TIF Special Revenue Fund.

EATS Account

All amounts credited to and deposited in the EATS (Economic Activity Taxes) Account, if any, shall be disbursed prior to the disbursement of any monies in the PILOTS Account, except that the annual surplus referred to in the trust Indenture. At March 31, 2012, cash and investment in the EATS Account total \$3 in the Pioneer Place TIF Special Revenue Fund.

PILOTS Account

All amounts credited to and deposited in the PILOTS (Payments in Lieu of Taxes) Account, if any, shall be disbursed after monies in the EATS Account, except for the annual surplus which will be disbursed exclusively from the PILOTS account per the trust Indenture. At March 31, 2012, there were no cash or investments in the PILOTS Account in the Pioneer Place TIF Special Revenue Fund.

(D) Certain assets are classified on the Balance Sheet – Governmental Funds as restricted because of their use is limited. Contractor deposits can only be expended if a deposit is forfeited for noncompliance per the terms of the issued permit. Capital donation received by the Park Fund and Capital Improvement Fund must be used only for approved capital improvements.

(E) The following trustee held account has been established in accordance with the Indenture related to the Certificates of Participation Series 2005 ("COPS"):

Reserve Fund

The Indenture required that a Reserve Fund be established in the original amount of \$265,635. The amounts to be held in the reserve is determined thereafter on a yearly basis in accordance with the formula in the Indenture. At March 31, 2012, cash and investments in the COPS Series 2005 reserve fund was \$265,637.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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7. RESTRICTED CASH AND INVESTMENTS (continued)

(F) The following trustee held account has been established in accordance with the Indenture related to the Certificates of Participation Series 2009 ("COPS"):

Revenue Fund

The Revenue Fund will be used for the purpose of providing monies to the trustee for payments in accordance with the trust Indenture. As of March 31, 2012, there were no cash or investments in the COPS Series 2009 revenue fund.

Reserve Fund

The Indenture required that a Reserve Fund be established in the original amount of \$438,697. The amounts to be held in the reserve is determined thereafter on a yearly basis in accordance with the formula in the Indenture. At March 31, 2012, cash and investments in the COPS reserve fund was \$438,730.

Project Fund

The Project Fund will be used for the purpose of providing monies to pay project costs. Proceeds received from the sale of the bonds, after deposit into the Revenue Fund of the accrued interest, if any, and deposit into the Debt Service Reserve Fund of the amount requirement pursuant to the bond indenture, shall be deposited into the Project Fund. As of March 31, 2012, cash and investments in the COPS Series 2009 project fund was \$504,223.

(G) The Electric and Water Fund, based on city ordinance, is required to collect a deposit from all commercial applicants and renters. The deposits can only be used in the event the consumer defaults on their accounts to pay outstanding balances. At March 31, 2012, utility deposits restricted total \$169,174 for the Electric Fund and total \$25,602 for the Water Fund.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

8. RECONCILIATION OF INTERFUND TRANSACTIONS

The following represents a reconciliation of transfers between individual funds for the year ended March 31, 2012.

	<b>Transfers From</b>	<b>Transfers To</b>	<b>Net Transfers</b>
<b>Major Funds</b>			
General Fund.....	\$ (1,642,237)	\$ 1,200,000	\$ (442,237)
<i>Special Revenue:</i>			
Quinette Cemetary.....	(25,551)	-	(25,551)
Park Board.....	-	530,246	530,246
<i>Capital Improvement:</i>			
Capital Improvement.....	-	1,719,313	1,719,313
Recreation/Facilities.....	(700,000)	-	(700,000)
<b>Major Enterprise Funds</b>			
Electric.....	(1,000,000)	2,600	(997,400)
Water.....	(2,600)	-	(2,600)
Sanitation.....	(81,771)	-	(81,771)
Total.....	\$ (3,452,159)	\$ 3,452,159	\$ -

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute of budget requires to expend them primarily for operating or capital purposes.

Individual fund interfund receivable and payable balances as of March 31, 2012, are as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
<b>Major Funds</b>		
<i>Capital Projects</i>		
Recreation/Facilities.....	\$ -	\$ 1,530,000
<b>Major Enterprise Funds</b>		
Electric.....	765,000	-
Water.....	765,000	-
Total.....	\$ 1,530,000	\$ 1,530,000

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

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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9. RISK MANAGEMENT

All funds of the City participate in the program and make payments to the self-insurance internal service fund based on both exposure and experience factors. Premiums include amounts needed to pay prior and current-year claims. Claim liabilities are established based on estimates of the ultimate costs of claims (including future expenses) that have been reported but not settled and of claims incurred and not reported.

At March 31, 2012, the City's total estimated liability for payment of incurred (both reported and unreported) but unpaid claims for self-insured employee benefit programs was \$256,351 and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statement indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated.

Changes in the internal service fund claims liability for the past two years are as follows:

Fiscal Year Ended <u>March 31,</u>	Liability - <u>Beginning of Year</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Liability - <u>End of Year</u>
2011	\$ 560,417	\$ 149,907	\$ 532,842	\$ 177,482
2012	\$ 177,482	\$ 616,592	\$ 537,723	\$ 256,351

The City obtains periodic funding valuations from the claims-servicing companies managing the self-insurance programs and adjusts the charges to the various funds as required to maintain the appropriate level of estimated claims liability.

On July 1, 2005, the City terminated their medical and hospitalization self-insurance and has instead elected to obtain comparable coverage through Blue Cross/Blue Shield. The City has not made a final determination of the disposition of the remaining fund balance.

The City purchases commercial insurance for other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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10. COMMITMENTS AND CONTINGENCIES

Litigation

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

Federal Grants

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

Major Supplier

The City has an agreement with a local utility company to be the City's sole provider of its water for resale. The agreement has fixed rates for each calendar year, with the contract expiring January 13, 2036. There are no minimum or maximum purchase commitments under the agreement.

Historically the City had obtained all its power requirements from one major supplier. Arrangements of this type are typically referred to as "Full Requirements" agreements. During Fiscal Year 2012, the City took advantage of favorable market conditions to secure separate and distinct energy and capacity products from various suppliers. After the City's current agreement expired on May 30, 2011, the City employed a new strategy referred to as "Partial Requirements" and obtain its power requirements from various suppliers, including the Midwest Independent System Operator and the Missouri Joint Municipal Electric Utility Commission (MJMEUC).

On October 15, 2009 the City entered into agreements with the following suppliers securing power products and vendors to fulfill the City's requirement until the Fall of 2014.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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10. COMMITMENTS AND CONTINGENCIES (continued)

Major Supplier (continued)

AmerenUE effective June 1, 2011 through September 30, 2012 to purchase wholesale capacity at quantities that vary monthly at \$1.72 per kilowatt-month and effective October 1, 2012 through May 31, 2015 to purchase wholesale capacity at quantities that vary monthly at \$1.05 per kilowatt-month.

AmerenUE effective June 1, 2011 through August 31, 2011 to purchase 25 megawatts of 7 X 24 wholesale energy at \$37.57 per megawatt and to purchase 20 megawatts of 5 X 16 wholesale energy at \$56.10 per megawatt.

American Electric Power effective June 1, 2011 until November 30, 2012 to purchase wholesale capacity at quantities that vary monthly at \$0.80 per kilowatt-month.

American Electric Power effective September 1, 2011 through November 30, 2011 to purchase 15 megawatts of 7 X 24 wholesale energy at \$29.90 per megawatt.

AmerenUE effective September 1, 2011 through May 31, 2012 to purchase 10 megawatts of 7 X 24 wholesale energy at \$37.57 per megawatt and effective June 1, 2012 through August 31, 2012 to purchase 20 megawatts of 5 X 16 wholesale energy at \$56.10 per megawatt.

American Electric Power Service Corporation effective June 1, 2013 through August 31, 2013 to purchase 25 megawatts of 5 X 16 wholesale energy for \$52.25 per megawatt and effective June 1, 2014 through August 31, 2014 to purchase 25 megawatts of 5 X 16 wholesale energy for \$58.75 per megawatt.

Midwest Independent System Operator effective June 1, 2011 through June 1, 2016 to purchase energy as needed on a daily basis at an estimated price of \$60 per megawatt hour.

The City's new partial requirements strategy enabled the department to realize a significant profit during Fiscal Year 2012.

Joint Venture

The City has entered into a multi-governmental arrangement creating an organization that is owned, operated, and governed by two or more participants as a separate and specific activity subject to joint control, in which the City retains an ongoing financial responsibility.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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10. COMMITMENTS AND CONTINGENCIES (continued)

Joint Venture (continued)

The Missouri Joint Municipal Electric Utility Commission (MJMEUC) was formed under the laws of the state of Missouri for the purpose of procuring electric energy and capacity for the benefit of, and pursuant to the governance and direction of, MJMEUC's members. The governing body of each of the contracting municipalities appoints one MJMEUC Director and one alternate, who may be employees of the contracting municipality.

MJMEUC has acquired an undivided ownership interest in the Prairie State Energy Campus, a two-unit, coal-fueled, mine-mouth generating station with an anticipated net capacity of approximately 1600 megawatts, and associated coal reserves and coal-mining facilities ("PSEC"), which is under development in a partnership with Peabody Energy in Washington County, Illinois. The City's purchase percentage will equate to 12.5 MW of unit power from each of the two PSEC units.

The first PSEC unit entered into commercial operation in June 2012 and the second unit is expected to begin commercial operation in late 2012. Each unit is expected to have a useful service life of at least 40 years.

The City does not have any equity interests. The City will be responsible for its proportionate share of (a) the fixed and variable costs MJMEUC incurs in connections with its PSEC ownership, and (b) MJMEUC's administrative and other reasonable costs associated with its role as power supplier to the City.

The City paid approximately \$893,250 prior to commercial operation of the PSEC units. The City now pays approximately \$55/MWH for capacity and energy from the units.

Separate financial statements prepared for the MJMEUC can be furnished upon request.

Environmental Remediation Obligation

In a prior year, the City purchased a piece of property and subsequently discovered there was buried asbestos material under the ground. This material is estimated to be four to five feet deep in one location on the site. The City is currently working with the State of Missouri Department of Natural Resources to get approval for site cleanup. Costs have not been determined as of March 31, 2012.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2012

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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 November 2010, the GASB issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor and an operator in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The requirements in this Statement are effective for financial statements for periods beginning after December 15, 2011.

In November 2010, the GASB issued Statement No. 61, "The financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34." This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. The requirements of this Statement are effective for financial statements for periods beginning after June 15 2012.

In June 2011, the GASB issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The objective of this Statement is to establish guidelines for the reporting of deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial statement. The requirements in this Statement are effective for financial statements for periods beginning after December 15, 2011.

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

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2012

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12. SUBSEQUENT EVENTS

Subsequent to March 31, 2012, the City issued \$8,520,000 Refunding Certificates of Participation (City of Kirkwood, Missouri, Lessee), Series 2012 Evidencing a Proportionate Interest of the owners thereof in Basic Rent Payments to be made by the City of Kirkwood, Missouri pursuant to an Annually Renewable Lease Purchase Agreement.

The Certificates are being delivered for the purpose of providing funds, together with other legally available funds of the City, to (1) currently refund \$5,310,000 outstanding principal amount of Leasehold Revenue Refunding Bonds (City of Kirkwood, Missouri, Lessee), Series 2004, (2) currently refund \$3,410,000 outstanding principal amount of Certificates of Participation (City of Kirkwood, Missouri, Lessee), Series 2005, (3) fund a debt service reserve fund for the Certificates, and (4) pay the cost of delivering the Certificates.

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**Required Supplementary Information -  
Budgetary Comparison Information**

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CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes, including interest and penalties:				
Gasoline/motor vehicle sales.....	\$ 925,000	\$ 925,000	1,024,076	\$ 99,076
Utility gross receipts.....	4,044,000	4,044,000	4,760,283	716,283
Property.....	1,915,000	1,915,000	1,922,213	7,213
Sales.....	4,080,000	4,080,000	4,313,283	233,283
Cigarette.....	75,000	75,000	75,878	878
Highway road and bridge.....	700,000	700,000	722,760	22,760
Franchise.....	250,000	250,000	396,890	146,890
Total Taxes.....	<u>11,989,000</u>	<u>11,989,000</u>	<u>13,215,383</u>	<u>1,226,383</u>
Intergovernmental.....	<u>364,000</u>	<u>367,977</u>	<u>409,420</u>	<u>41,443</u>
Licenses, Permits, Fines and Fees:				
Motor vehicle licenses and fees.....	124,000	124,000	132,899	8,899
Business licenses.....	511,000	511,000	570,119	59,119
Alcoholic beverage licenses.....	28,000	28,000	27,365	(635)
Building and plumbing permits.....	428,000	428,000	655,288	227,288
Excavation and sign permits.....	24,500	24,500	26,786	2,286
Fines and court costs.....	550,000	550,000	719,290	169,290
Miscellaneous fees.....	93,000	93,000	96,244	3,244
Total Licenses, Permits, Fines and Fees.....	<u>1,758,500</u>	<u>1,758,500</u>	<u>2,227,991</u>	<u>469,491</u>
Investment income.....	<u>120,000</u>	<u>120,000</u>	<u>164,769</u>	<u>44,769</u>
Charges For Services:				
Skating rink.....	645,250	645,250	622,443	(22,807)
Aquatic facility.....	435,000	435,000	427,191	(7,809)
Ambulance fees.....	550,000	550,000	685,191	135,191
Program fees.....	638,600	638,600	642,125	3,525
Total Charges For Services.....	<u>2,268,850</u>	<u>2,268,850</u>	<u>2,376,950</u>	<u>108,100</u>
Other .....	<u>577,847</u>	<u>578,247</u>	<u>631,153</u>	<u>52,906</u>
Total Revenues.....	<u>\$ 17,078,197</u>	<u>\$ 17,082,574</u>	<u>\$ 19,025,666</u>	<u>\$ 1,943,092</u>

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

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
 FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>General Government and Finance:</b>				
Personnel services.....	1,579,546	1,579,766	1,544,603	35,163
Contractual services.....	1,140,011	1,236,351	1,092,768	143,583
Commodities.....	301,595	175,807	87,146	88,661
Capital outlay.....	15,930	23,504	8,659	14,845
Interdepartmental charges, net.....	263,175	284,583	278,397	6,186
<b>Total General Government and Finance....</b>	<b>3,300,257</b>	<b>3,300,011</b>	<b>3,011,573</b>	<b>288,438</b>
<b>Purchasing:</b>				
Personnel services.....	329,048	329,501	322,342	7,159
Contractual services.....	38,511	38,401	33,122	5,279
Commodities.....	5,660	6,031	5,441	590
Capital outlay.....	1,500	1,500	1,425	75
Interdepartmental charges, net.....	3,366	3,368	3,242	126
<b>Total Purchasing.....</b>	<b>378,085</b>	<b>378,801</b>	<b>365,572</b>	<b>13,229</b>
<b>Engineering:</b>				
Personnel services.....	306,454	306,454	283,593	22,861
Contractual services.....	49,043	49,140	30,848	18,292
Commodities.....	8,119	7,619	5,408	2,211
Capital outlay.....	750	220	-	220
Interdepartmental charges, net.....	9,237	10,237	9,918	319
<b>Total Engineering.....</b>	<b>373,603</b>	<b>373,670</b>	<b>329,767</b>	<b>43,903</b>
<b>Building Maintenance:</b>				
Personnel services.....	183,862	183,862	162,971	20,891
Contractual services.....	172,108	195,909	190,884	5,025
Commodities.....	34,550	34,550	33,295	1,255
Capital outlay.....	2,200	7,500	7,440	60
Interdepartmental charges, net.....	6,651	6,651	5,552	1,099
<b>Total Building Maintenance.....</b>	<b>399,371</b>	<b>428,472</b>	<b>400,142</b>	<b>28,330</b>

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

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Current (continued):				
Building Commissioner:				
Personnel services.....	590,617	590,617	491,376	99,241
Contractual services.....	81,431	99,515	62,888	36,627
Commodities.....	10,960	11,440	9,695	1,745
Interdepartmental charges, net.....	14,431	14,441	11,769	2,672
Total Building Commissioner.....	<u>697,439</u>	<u>716,013</u>	<u>575,728</u>	<u>140,285</u>
Police:				
Personnel services.....	5,795,391	5,814,843	5,438,675	376,168
Contractual services.....	561,157	571,087	507,312	63,775
Commodities.....	126,930	122,420	112,840	9,580
Capital outlay.....	7,750	9,607	8,287	1,320
Interdepartmental charges, net.....	313,706	364,571	346,635	17,936
Total Police.....	<u>6,804,934</u>	<u>6,882,528</u>	<u>6,413,749</u>	<u>468,779</u>
Fire:				
Personnel services.....	4,224,719	4,226,435	4,038,318	188,117
Contractual services.....	408,591	404,416	385,259	19,157
Commodities.....	115,693	118,981	110,492	8,489
Interdepartmental charges, net.....	253,761	264,216	251,062	13,154
Total Fire.....	<u>5,002,764</u>	<u>5,014,048</u>	<u>4,785,131</u>	<u>228,917</u>
Streets:				
Personnel services.....	827,743	834,762	765,794	68,968
Contractual services.....	218,187	226,949	209,475	17,474
Commodities.....	390,900	377,982	271,220	106,762
Capital outlay.....	15,000	15,000	12,762	2,238
Interdepartmental charges, net.....	263,924	271,926	266,485	5,441
Total Streets.....	<u>1,715,754</u>	<u>1,726,619</u>	<u>1,525,736</u>	<u>200,883</u>

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

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (CONTINUED)</b>				
Current (continued):				
Recreation:				
Personnel services.....	1,088,818	1,090,945	1,013,338	77,607
Contractual services.....	677,928	672,992	643,478	29,514
Commodities.....	156,994	156,463	125,373	31,090
Interdepartmental charges, net.....	206,483	238,745	237,434	1,311
Total Recreation.....	<u>2,130,223</u>	<u>2,159,145</u>	<u>2,019,623</u>	<u>139,522</u>
Total Expenditures.....	<u>20,802,430</u>	<u>20,979,307</u>	<u>19,427,021</u>	<u>1,552,286</u>
<b>EXCESS REVENUES OVER (UNDER)</b>				
EXPENDITURES.....	<u>(3,724,233)</u>	<u>(3,896,733)</u>	<u>(401,355)</u>	<u>3,495,378</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in.....	1,200,000	1,200,000	1,200,000	-
Transfers out.....	<u>(6,024)</u>	<u>(1,643,536)</u>	<u>(1,642,237)</u>	<u>1,299</u>
Total Other Financing Sources (Uses).....	<u>1,193,976</u>	<u>(443,536)</u>	<u>(442,237)</u>	<u>1,299</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ (2,530,257)</u>	<u>\$ (4,340,269)</u>	<u>(843,592)</u>	<u>\$ 3,496,677</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments.....			(84,021)	
Expenditure accrual adjustments.....			(107,242)	
Total Adjustments To Reconcile to GAAP Basis.....			<u>(191,263)</u>	
NET CHANGE IN FUND BALANCE-GAAP BASIS.....			(1,034,855)	
FUND BALANCE, BEGINNING OF YEAR.....			<u>8,826,777</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 7,791,922</u>	

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

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - PUBLIC PARK BOARD FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes, including interest and penalties.....	\$ 900,000	\$ 900,000	\$ 898,956	\$ (1,044)
Intergovernmental.....	-	-	4,000	4,000
Licenses, permits, fines and fees.....	52,250	52,250	59,521	7,271
Investment income.....	10,000	10,000	22,721	12,721
Total Revenues.....	<u>962,250</u>	<u>962,250</u>	<u>985,198</u>	<u>22,948</u>
<b>EXPENDITURES:</b>				
Current:				
Parks.....	1,301,250	1,303,250	1,223,644	79,606
Capital outlay.....	169,250	286,330	134,854	151,476
Total Expenditures.....	<u>1,470,500</u>	<u>1,589,580</u>	<u>1,358,498</u>	<u>231,082</u>
EXCESS REVENUES UNDER EXPENDITURES.....	<u>(508,250)</u>	<u>(627,330)</u>	<u>(373,300)</u>	<u>254,030</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in.....	507,100	507,100	530,246	23,146
Proceeds from sale of capital assets.....	8,000	8,000	18,854	10,854
Total Other Financing Sources.....	<u>515,100</u>	<u>515,100</u>	<u>549,100</u>	<u>34,000</u>
NET CHANGE IN FUND BALANCES.....	<u>\$ 6,850</u>	<u>\$ (112,230)</u>	<u>175,800</u>	<u>\$ 288,030</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments.....			(3,758)	
Expenditure accrual adjustments.....			(6,116)	
Total Adjustments To Reconcile to GAAP Basis.....			<u>(9,874)</u>	
NET CHANGE IN FUND BALANCE- GAAP BASIS.....			165,926	
FUND BALANCE, BEGINNING OF YEAR.....			<u>1,219,062</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 1,384,988</u>	

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

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - P&F PROPERTY TAX PENSION FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes, including interest and penalties.....	\$ 891,506	\$ 891,506	\$ 885,321	\$ (6,185)
Investment income.....	20,000	20,000	63,457	43,457
Total Revenues.....	<u>911,506</u>	<u>911,506</u>	<u>948,778</u>	<u>37,272</u>
<b>EXPENDITURES:</b>				
Police.....	600,339	600,339	548,108	52,231
Fire.....	600,339	600,339	548,109	52,230
Total Expenditures.....	<u>1,200,678</u>	<u>1,200,678</u>	<u>1,096,217</u>	<u>104,461</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	<u>\$ (289,172)</u>	<u>\$ (289,172)</u>	<u>(147,439)</u>	<u>\$ 141,733</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments.....			(8,385)	
Expenditure accrual adjustments.....			(5,359)	
Total Adjustments To Reconcile to GAAP Basis.....			<u>(13,744)</u>	
NET CHANGE IN FUND BALANCE- GAAP BASIS.....			(161,183)	
FUND BALANCE, BEGINNING OF YEAR.....			<u>3,279,934</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 3,118,751</u>	

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

CITY OF KIRKWOOD, MISSOURI

NOTES TO BUDGETARY COMPARISON INFORMATION  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

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1. BUDGETARY DATA

Missouri state law and City ordinances require annual budgets to be prepared and legally adopted for the general fund; Public Park Board, P&F Property Tax Pension, Downtown Special Business District, Equitable Sharing and Sewer Lateral special revenue funds; debt service fund and capital projects funds. Budgets are prepared by the Chief Administrative Officer on the modified accrual basis according to the City of Kirkwood, Missouri Charter Article VI, Section 6.3. The budgets are reviewed by a Citizens' Finance Committee, and are discussed in public hearings prior to their legal adoption by April 1 each year. The City Council may revise the approved budget provided that the total authorized expenditures do not exceed the estimated revenues plus unreserved fund balance at the beginning of the year. The budget is legally enacted by ordinance following public hearings on the proposed budget. The Public Park Board is the only City agency that adopts its own budget.

Following adoption of the budget, the Chief Administrative Officer may transfer appropriations between departments provided that total appropriations do not exceed the authorized amount established by ordinance. City policy requires all budget amendments or transfers of \$10,000 or more to be approved by ordinance. All appropriations lapse at year end.

Due to the management controls adopted, which provide for the budget to be controlled at a detail level greater than the statutory level of control, the legal level of budgetary control for all governmental funds except the Public Park Board is established at the sub object level. Compliance with the legal level of budgetary control is demonstrated through the issuance of a separate report, which is available for inspection at the Finance Department. Budgetary comparisons presented herein are on the modified accrual basis in compliance with the City's Charter.

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**Other Supplementary Section**

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CITY OF KIRKWOOD, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
MARCH 31, 2012

	Combined Nonmajor Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
<b>ASSETS:</b>			
Cash held by trustees.....	\$ 237,844	\$ -	\$ 237,844
Cash and investments - unrestricted.....	1,366,665	686,265	2,052,930
Receivables, net of allowances:			
Taxes.....	74,313	49,036	123,349
Interest.....	2,705	1,451	4,156
Other.....	6,997	-	6,997
<b>TOTAL ASSETS.....</b>	<b><u>\$ 1,688,524</u></b>	<b><u>\$ 736,752</u></b>	<b><u>\$ 2,425,276</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>LIABILITIES:</b>			
Accounts payable.....	\$ 16,851	\$ 595	\$ 17,446
Accrued wages and vacation.....	4,720	-	4,720
Deposits payable.....	14,865	-	14,865
Deferred revenue.....	27,063	19,490	46,553
Unearned revenue.....	71,267	-	71,267
<b>Total Liabilities.....</b>	<b><u>134,766</u></b>	<b><u>20,085</u></b>	<b><u>154,851</u></b>
<b>FUND BALANCES:</b>			
Restricted for:			
Debt service.....	-	716,667	716,667
Law enforcement.....	236,162	-	236,162
Sewer lateral.....	771,756	-	771,756
Special business district.....	191,749	-	191,749
TIF bonds and notes.....	354,091	-	354,091
<b>Total Fund Balances.....</b>	<b><u>1,553,758</u></b>	<b><u>716,667</u></b>	<b><u>2,270,425</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 1,688,524</u></b>	<b><u>\$ 736,752</u></b>	<b><u>\$ 2,425,276</u></b>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Combined Nonmajor Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
Taxes, including interest and penalties.....	\$ 439,867	\$ 508,513	\$ 948,380
Licenses, permits, fines and fees.....	876,632	-	876,632
Investment income.....	22,261	14,241	36,502
Other.....	3,939	-	3,939
<b>Total Revenues.....</b>	<b>1,342,699</b>	<b>522,754</b>	<b>1,865,453</b>
<b>EXPENDITURES:</b>			
General government and finance.....	390,625	-	390,625
Police.....	147,589	-	147,589
Capital outlay.....	23,325	-	23,325
Debt service:			
Principal retirement.....	560,000	410,000	970,000
Interest and fiscal charges.....	253,237	106,663	359,900
<b>Total Expenditures.....</b>	<b>1,374,776</b>	<b>516,663</b>	<b>1,891,439</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(32,077)</b>	<b>6,091</b>	<b>(25,986)</b>
<b>OTHER FINANCING USES:</b>			
Transfers out.....	(25,551)	-	(25,551)
<b>Total Other Financing Uses.....</b>	<b>(25,551)</b>	<b>-</b>	<b>(25,551)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(57,628)</b>	<b>6,091</b>	<b>(51,537)</b>
<b>FUND BALANCES,</b>			
<b>BEGINNING OF YEAR.....</b>	<b>1,611,386</b>	<b>710,576</b>	<b>2,321,962</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 1,553,758</b>	<b>\$ 716,667</b>	<b>\$ 2,270,425</b>

See accompanying independent auditors' report

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## NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

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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. The special revenue funds maintained by the City are as follows:

Downtown Special Business District - Used to account for property taxes and business license fees set aside for the economic development of the special business district.

Equitable Sharing - Used to account for proceeds from the City's portion of seized assets as required by the United States Attorney General's Guidelines on Seized and Forfeited Property.

Sewer Lateral - Used to account for the sewer lateral insurance fees restricted specifically for repairs of broken single-family and condominium residential sewer laterals.

Pioneer Place TIF – Used to account for activities of the City's Pioneer Place tax increment financing district.

Kirkwood Commons TIF – Used to account for activities of the City's Kirkwood Commons public improvement revenue notes series 1998 related to the former Kirkwood Commons tax increment financing district.

Quinette Cemetery - Used for the upkeep and maintenance of Quinette Cemetery.

CITY OF KIRKWOOD, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
MARCH 31, 2012

	Downtown Special Business District	Equitable Sharing	Sewer Lateral	Pioneer Place TIF	Kirkwood Commons TIF	Quinette Cemetery	Total
<b>ASSETS:</b>							
Cash held by trustees.....	\$ -	\$ -	\$ -	\$ 15,122	\$222,722	\$ -	\$ 237,844
Cash and investments - unrestricted.....	261,925	236,148	780,417	-	88,175	-	1,366,665
Receivables, net of allowances:							
Taxes.....	26,089	-	-	-	48,224	-	74,313
Interest.....	554	500	1,651	-	-	-	2,705
Other.....	1,868	-	5,094	-	35	-	6,997
<b>TOTAL ASSETS.....</b>	<b>\$ 290,436</b>	<b>\$ 236,648</b>	<b>\$ 787,162</b>	<b>\$ 15,122</b>	<b>\$359,156</b>	<b>\$ -</b>	<b>\$ 1,688,524</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>LIABILITIES:</b>							
Accounts payable.....	\$ 16,221	\$ 486	\$ 144	\$ -	\$ -	\$ -	\$ 16,851
Accrued wages and vacation.....	4,323	-	397	-	-	-	4,720
Deposits payable.....	-	-	14,865	-	-	-	14,865
Deferred revenue.....	6,876	-	-	-	20,187	-	27,063
Unearned revenue.....	71,267	-	-	-	-	-	71,267
<b>Total Liabilities.....</b>	<b>98,687</b>	<b>486</b>	<b>15,406</b>	<b>-</b>	<b>20,187</b>	<b>-</b>	<b>134,766</b>
<b>FUND BALANCES:</b>							
Restricted for:							
Law enforcement.....	-	236,162	-	-	-	-	236,162
Sewer lateral.....	-	-	771,756	-	-	-	771,756
Special business district.....	191,749	-	-	-	-	-	191,749
TIF bonds and notes.....	-	-	-	15,122	338,969	-	354,091
<b>Total Fund Balances.....</b>	<b>191,749</b>	<b>236,162</b>	<b>771,756</b>	<b>15,122</b>	<b>338,969</b>	<b>-</b>	<b>1,553,758</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 290,436</b>	<b>\$ 236,648</b>	<b>\$ 787,162</b>	<b>\$ 15,122</b>	<b>\$359,156</b>	<b>\$ -</b>	<b>\$ 1,688,524</b>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Downtown Special Business District	Equitable Sharing	Sewer Lateral	Pioneer Place TIF	Kirkwood Commons TIF	Quinette Cemetery	Total
<b>REVENUES:</b>							
Taxes, including interest and penalties.....	\$ 123,855	\$ -	\$ -	\$ 38,660	277,352	\$ -	\$ 439,867
Licenses, permits, fines and fees.....	157,049	273,651	274,865	-	171,067	-	876,632
Investment income.....	3,863	5,480	12,886	8	24	-	22,261
Miscellaneous.....	3,939	-	-	-	-	-	3,939
<b>Total Revenues.....</b>	<b>288,706</b>	<b>279,131</b>	<b>287,751</b>	<b>38,668</b>	<b>448,443</b>	<b>-</b>	<b>1,342,699</b>
<b>EXPENDITURES:</b>							
General government and finance.....	278,028	-	112,597	-	-	-	390,625
Police.....	-	147,589	-	-	-	-	147,589
Capital outlay.....	23,325	-	-	-	-	-	23,325
Debt service:							
Principal retirement.....	-	-	-	355,000	205,000	-	560,000
Interest and fiscal charges.....	-	-	-	18,502	234,735	-	253,237
<b>Total Expenditures.....</b>	<b>301,353</b>	<b>147,589</b>	<b>112,597</b>	<b>373,502</b>	<b>439,735</b>	<b>-</b>	<b>1,374,776</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(12,647)</b>	<b>131,542</b>	<b>175,154</b>	<b>(334,834)</b>	<b>8,708</b>	<b>-</b>	<b>(32,077)</b>
<b>OTHER FINANCING USES:</b>							
Transfers out.....	-	-	-	-	-	(25,551)	(25,551)
<b>Total Other Financing Uses.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,551)</b>	<b>(25,551)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(12,647)</b>	<b>131,542</b>	<b>175,154</b>	<b>(334,834)</b>	<b>8,708</b>	<b>(25,551)</b>	<b>(57,628)</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>							
	<b>204,396</b>	<b>104,620</b>	<b>596,602</b>	<b>349,956</b>	<b>330,261</b>	<b>25,551</b>	<b>1,611,386</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 191,749</b>	<b>\$ 236,162</b>	<b>\$ 771,756</b>	<b>\$ 15,122</b>	<b>\$ 338,969</b>	<b>\$ -</b>	<b>\$ 1,553,758</b>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - DOWNTOWN SPECIAL BUSINESS DISTRICT FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes, including interest and penalties.....	\$ 126,000	\$ 126,000	\$ 123,908	\$ (2,092)
Licenses, permits, fines and fees.....	171,600	171,600	157,197	(14,403)
Investment income.....	2,000	2,000	4,251	2,251
Miscellaneous.....	9,450	9,450	3,939	(5,511)
Total Revenues.....	<u>309,050</u>	<u>309,050</u>	<u>289,295</u>	<u>(19,755)</u>
<b>EXPENDITURES:</b>				
General government and finance.....	288,450	290,450	276,939	13,511
Capital outlay.....	36,600	34,600	23,325	11,275
Total Expenditures.....	<u>325,050</u>	<u>325,050</u>	<u>300,264</u>	<u>24,786</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES.....</b>	<u>\$ (16,000)</u>	<u>\$ (16,000)</u>	<u>(10,969)</u>	<u>\$ 5,031</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments.....			(589)	
Expenditure accrual adjustments.....			(1,089)	
Total Adjustments To Reconcile to GAAP Basis.....			<u>(1,678)</u>	
<b>NET CHANGE IN FUND BALANCE- GAAP BASIS.....</b>			(12,647)	
<b>FUND BALANCE, BEGINNING OF YEAR.....</b>			<u>204,396</u>	
<b>FUND BALANCE, END OF YEAR.....</b>			<u>\$ 191,749</u>	

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - EQUITABLE SHARING FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits, fines and fees.....	\$ -	\$ -	\$ 273,651	\$ 273,651
Investment income.....	-	-	5,406	5,406
<b>Total Revenues.....</b>	<b>-</b>	<b>-</b>	<b>279,057</b>	<b>279,057</b>
<b>EXPENDITURES:</b>				
Police.....	-	151,068	147,589	3,479
<b>Total Expenditures.....</b>	<b>-</b>	<b>151,068</b>	<b>147,589</b>	<b>3,479</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>\$ -</b>	<b>\$ (151,068)</b>	<b>131,468</b>	<b>\$ 282,536</b>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments.....			74	
Expenditure accrual adjustments.....			-	
<b>Total Adjustments To Reconcile to GAAP Basis.....</b>			<b>74</b>	
<b>NET CHANGE IN FUND BALANCE- GAAP BASIS.....</b>			<b>131,542</b>	
<b>FUND BALANCE, BEGINNING OF YEAR.....</b>			<b>104,620</b>	
<b>FUND BALANCE, END OF YEAR.....</b>			<b>\$ 236,162</b>	

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - SEWER LATERAL FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Licenses, permits, fines and fees.....	\$ 295,000	\$ 295,000	\$ 274,317	\$ (20,683)
Investment income.....	2,500	2,500	14,107	11,607
<b>Total Revenues.....</b>	<b>297,500</b>	<b>297,500</b>	<b>288,424</b>	<b>(9,076)</b>
<b>EXPENDITURES:</b>				
General government and finance.....	240,794	242,112	112,477	129,635
<b>Total Expenditures.....</b>	<b>240,794</b>	<b>242,112</b>	<b>112,477</b>	<b>129,635</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>\$ 56,706</b>	<b>\$ 55,388</b>	<b>175,947</b>	<b>\$ 120,559</b>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments.....			(673)	
Expenditure accrual adjustments.....			(120)	
<b>Total Adjustments To Reconcile to GAAP Basis.....</b>			<b>(793)</b>	
<b>NET CHANGE IN FUND BALANCE- GAAP BASIS.....</b>			<b>175,154</b>	
<b>FUND BALANCE, BEGINNING OF YEAR.....</b>			<b>596,602</b>	
<b>FUND BALANCE, END OF YEAR.....</b>			<b>\$ 771,756</b>	

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes, including interest and penalties.....	\$ 734,753	\$ 734,753	\$ 514,981	\$ (219,772)
Investment income.....	6,000	6,000	15,536	9,536
Total Revenues.....	<u>740,753</u>	<u>740,753</u>	<u>530,517</u>	<u>(210,236)</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal retirement.....	466,608	466,608	410,000	56,608
Interest and fiscal charges.....	<u>194,216</u>	<u>194,216</u>	<u>106,663</u>	<u>87,553</u>
Total Expenditures.....	<u>660,824</u>	<u>660,824</u>	<u>516,663</u>	<u>144,161</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	<u>\$ 79,929</u>	<u>\$ 79,929</u>	13,854	<u>\$ (66,075)</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments.....			(7,763)	
Expenditure accrual adjustments.....			-	
Total Adjustments To Reconcile to GAAP Basis.....			<u>(7,763)</u>	
NET CHANGE IN FUND BALANCE- GAAP BASIS.....			6,091	
FUND BALANCE, BEGINNING OF YEAR.....			<u>710,576</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 716,667</u>	

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES:</b>				
Taxes, including interest and penalties.....	\$ 1,930,000	\$ 1,930,000	\$ 2,018,039	\$ 88,039
Grants.....	7,200	7,200	644,872	637,672
Investment income.....	54,000	54,000	56,015	2,015
Other.....	-	-	25,600	25,600
<b>Total Revenues.....</b>	<b>1,991,200</b>	<b>1,991,200</b>	<b>2,744,526</b>	<b>753,326</b>
<b>EXPENDITURES:</b>				
General government and finance.....	65,606	65,606	63,936	1,670
Capital outlay.....	2,277,260	5,719,860	5,389,910	329,950
<b>Total Expenditures.....</b>	<b>2,342,866</b>	<b>5,785,466</b>	<b>5,453,846</b>	<b>331,620</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(351,666)</b>	<b>(3,794,266)</b>	<b>(2,709,320)</b>	<b>1,084,946</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in.....	81,771	1,719,313	1,719,313	-
Proceeds from sale of capital assets.....	35,000	35,000	128,094	93,094
<b>Total Other Financing Sources.....</b>	<b>116,771</b>	<b>1,754,313</b>	<b>1,847,407</b>	<b>93,094</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>\$ (234,895)</b>	<b>\$ (2,039,953)</b>	<b>(861,913)</b>	<b>\$ 1,178,040</b>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments.....			(24,880)	
Expenditure accrual adjustments.....			(516)	
<b>Total Adjustments To Reconcile to GAAP Basis.....</b>			<b>(25,396)</b>	
<b>NET CHANGE IN FUND BALANCE- GAAP BASIS.....</b>			<b>(887,309)</b>	
<b>FUND BALANCE, BEGINNING OF YEAR.....</b>			<b>2,790,224</b>	
<b>FUND BALANCE, END OF YEAR.....</b>			<b>\$ 1,902,915</b>	

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - RECREATION / FACILITIES FUND  
 FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes, including interest and penalties.....	\$ 2,100,000	2,100,000	\$ 2,363,174	\$ 263,174
Intergovernmental.....	69,598	69,598	69,594	(4)
Investment income.....	17,000	17,000	32,050	15,050
Grants.....	-	-	395,260	395,260
Total Revenues.....	<u>2,186,598</u>	<u>2,186,598</u>	<u>2,860,078</u>	<u>673,480</u>
<b>EXPENDITURES:</b>				
General government and finance.....	8,000	8,000	4,878	3,122
Capital outlay.....	1,060,000	1,516,435	418,880	1,097,555
<b>Debt Service:</b>				
Principal retirement.....	840,000	840,000	670,000	170,000
Interest and fiscal charges.....	208,101	208,101	207,147	954
Total Expenditures.....	<u>2,116,101</u>	<u>2,572,536</u>	<u>1,300,905</u>	<u>1,271,631</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	70,497	(385,938)	1,559,173	1,945,111
<b>OTHER FINANCING USES:</b>				
Transfers out.....	(700,000)	(700,000)	(700,000)	-
Proceeds from sale of capital assets.....	-	-	435	435
Total Other Financing Uses.....	<u>(700,000)</u>	<u>(700,000)</u>	<u>(699,565)</u>	<u>435</u>
NET CHANGE IN FUND BALANCES.....	<u>\$ (629,503)</u>	<u>\$ (1,085,938)</u>	<u>859,608</u>	<u>\$ 1,945,546</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments.....			(22,303)	
Expenditure accrual adjustments.....			-	
Total Adjustments To Reconcile to GAAP Basis.....			<u>(22,303)</u>	
NET CHANGE IN FUND BALANCE- GAAP BASIS.....			837,305	
FUND BALANCE, BEGINNING OF YEAR.....			<u>551,617</u>	
FUND BALANCE, END OF YEAR.....			<u>\$ 1,388,922</u>	

See accompanying independent auditors' report

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## **INTERNAL SERVICE FUNDS**

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### **Medical Self Insurance**

This fund is used to account for financial resources to be used for medical insurance premiums and claims expenditures.

### **Fleet Services**

This fund is used to account for citywide vehicle and equipment maintenance and repair costs.

### **Workers' Compensation**

This fund is used to account for financial resources to be used for medical and disability claims expenditures relating to workers' compensation.

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS  
MARCH 31, 2012

	<u>Medical Self Insurance</u>	<u>Fleet Services</u>	<u>Workers' Compensation Self Insurance</u>	<u>Total</u>
<b>ASSETS:</b>				
Cash and investments:				
Held by trustees.....	\$ -	\$ -	\$ 5,502	\$ 5,502
Unrestricted.....	254,693	142,462	1,214,354	1,611,509
Interest receivable.....	539	301	2,569	3,409
Inventory.....	-	4,216	-	4,216
 Total Assets.....	 <u>255,232</u>	 <u>146,979</u>	 <u>1,222,425</u>	 <u>1,624,636</u>
<b>LIABILITIES:</b>				
Accounts payable.....	100	24,264	1,105	25,469
Accrued wages and vacation.....	-	30,526	2,728	33,254
Claims payable.....	-	-	256,351	256,351
 Total Current Liabilities.....	 <u>100</u>	 <u>54,790</u>	 <u>260,184</u>	 <u>315,074</u>
<b>NET ASSETS:</b>				
Unrestricted.....	<u>255,132</u>	<u>92,189</u>	<u>962,241</u>	<u>1,309,562</u>
 <b>TOTAL NET ASSETS.....</b>	 <b><u>\$ 255,132</u></b>	 <b><u>\$ 92,189</u></b>	 <b><u>\$ 962,241</u></b>	 <b><u>\$ 1,309,562</u></b>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET ASSETS - INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Medical Self Insurance	Fleet Services	Workers' Compensation Self Insurance	Total
OPERATING REVENUES:				
Charges for services.....	\$ -	\$ 918,132	\$ 889,458	\$ 1,807,590
Other.....	75	1,360	-	1,435
Total Operating Revenues.....	75	919,492	889,458	1,809,025
OPERATING EXPENSES:				
Administrative and general.....	3,464	841,019	142,983	987,466
Claims and insurance premiums.....	-	-	836,474	836,474
Total Operating Expenses.....	3,464	841,019	979,457	1,823,940
OPERATING INCOME (LOSS).....	(3,389)	78,473	(89,999)	(14,915)
NONOPERATING REVENUES:				
Proceeds from sale of capital assets.....	-	816	-	816
Proceeds from insurance.....	-	-	919	919
Investment income.....	4,955	2,006	21,348	28,309
Total Nonoperating Revenues.....	4,955	2,822	22,267	30,044
CHANGE IN NET ASSETS.....	1,566	81,295	(67,732)	15,129
NET ASSETS, BEGINNING OF YEAR.....	253,566	10,894	1,029,973	1,294,433
NET ASSETS, END OF YEAR.....	\$ 255,132	\$ 92,189	\$ 962,241	\$ 1,309,562

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF CASH FLOWS -  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Medical Self Insurance	Fleet Services	Workers' Compensation Self Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from interfund services provided.....	\$ -	\$ 918,132	\$ 889,458	\$ 1,807,590
Other receipts.....	75	1,360	-	1,435
Payments to suppliers.....	(3,364)	(435,016)	(835,487)	(1,273,867)
Payments to employees.....	-	(382,600)	(56,695)	(439,295)
Payments for interfund services.....	-	(13,216)	(10,000)	(23,216)
Net Cash Provided By (Used In ) Operating Activities.....	<u>(3,289)</u>	<u>88,660</u>	<u>(12,724)</u>	<u>72,647</u>
<b>CASH FLOWS PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from sale of property, plant and equipment.....	-	816	919	1,735
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>				
Interest received on investments.....	5,442	2,308	23,505	31,255
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS.....</b>	2,153	91,784	11,700	105,637
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	252,540	50,678	1,208,156	1,511,374
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<u>\$ 254,693</u>	<u>\$ 142,462</u>	<u>\$ 1,219,856</u>	<u>\$ 1,617,011</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss).....	\$ (3,389)	\$ 78,473	\$ (89,999)	\$ (14,915)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in assets:				
Inventory.....	-	(881)	-	(881)
Increase (decrease) in liabilities:				
Accounts payable.....	100	9,727	(1,559)	8,268
Accrued wages and vacation.....	-	1,341	(35)	1,306
Claims payable.....	-	-	78,869	78,869
Total adjustments.....	<u>100</u>	<u>10,187</u>	<u>77,275</u>	<u>87,562</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<u>\$ (3,289)</u>	<u>\$ 88,660</u>	<u>\$ (12,724)</u>	<u>\$ 72,647</u>

See accompanying independent auditors' report

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## FIDUCIARY FUND TYPES

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Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds.

### **Trust and Agency Funds**

Trust and agency funds include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. Agency funds are accounted for and reported similar to governmental funds. The trust and agency funds maintained by the City are as follows:

Pension Trust Funds – Used to account for the receipt, investment, and distribution of retirement contributions for civilian, police and fire employees.

Agency Funds – Used to account for municipal court collections for bail bonds, deposits collected in behalf of the trustee of the transportation development district and donations collected on behalf of the Kirkwood disaster relief.

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF PLAN NET ASSETS - PENSION TRUST FUNDS  
MARCH 31, 2012

	Police Officers' and Fire Retirement	Civilian Employees Retirement	Total
	<hr/>	<hr/>	<hr/>
ASSETS:			
Cash and investments:			
Held by trustees:			
Short-Term reserves.....	\$ 2,994,783	\$ 1,186,650	\$ 4,181,433
Bond funds.....	2,905,504	1,222,392	4,127,896
Balanced funds.....	3,934,805	5,176,766	9,111,571
Domestic stock funds.....	13,644,751	5,007,805	18,652,556
International stock funds.....	2,589,186	742,062	3,331,248
Stable value money market funds.....	59,430	57,987	117,417
Specialty stock funds.....	-	227,655	227,655
Vanguard brokerage option fund.....	2,628,415	-	2,628,415
Contributions receivable.....	34,821	21,549	56,370
	<hr/>	<hr/>	<hr/>
Total Assets.....	28,791,695	13,642,866	42,434,561
	<hr/>	<hr/>	<hr/>
LIABILITIES:			
Accounts payable.....	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities.....	-	-	-
	<hr/>	<hr/>	<hr/>
NET ASSETS:			
Reserved for employees' pension benefits.....	\$ 28,791,695	\$ 13,642,866	\$ 42,434,561
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS -  
PENSION TRUST FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Police Officers' and Fire Retirement	Civilian Employees Retirement	Total
ADDITIONS:			
Contributions:			
Employer.....	\$ 957,523	\$ 610,637	\$ 1,568,160
Employee, net of refunds.....	323,408	-	323,408
Rollover contributions.....	-	2,034	2,034
Total Contributions.....	<u>1,280,931</u>	<u>612,671</u>	<u>1,893,602</u>
Investment income:			
Interest and dividends.....	608,345	289,876	898,221
Net appreciation in the fair value of plan investments.....	386,604	319,768	706,372
Total Investment Income.....	<u>994,949</u>	<u>609,644</u>	<u>1,604,593</u>
Less: investment expenses.....	88,648	1,138	89,786
Net investment income.....	<u>906,301</u>	<u>608,506</u>	<u>1,514,807</u>
TOTAL ADDITIONS.....	<u>2,187,232</u>	<u>1,221,177</u>	<u>3,408,409</u>
DEDUCTIONS:			
Benefit payments.....	<u>2,011,219</u>	<u>796,787</u>	<u>2,808,006</u>
Administrative and general expenses:			
Insurance, taxes and other premiums.....	92,054	94,277	186,331
Professional and administrative fees.....	40,425	31,635	72,060
Total Administrative and General Expenses.....	<u>132,479</u>	<u>125,912</u>	<u>258,391</u>
TOTAL DEDUCTIONS.....	<u>2,143,698</u>	<u>922,699</u>	<u>3,066,397</u>
CHANGE IN NET ASSETS.....	43,534	298,478	342,012
NET ASSETS HELD IN TRUST FOR EMPLOYEE PENSION BENEFITS, BEGINNING OF YEAR.....			
	<u>28,748,161</u>	<u>13,344,388</u>	<u>42,092,549</u>
END OF YEAR.....	<u>\$ 28,791,695</u>	<u>\$ 13,642,866</u>	<u>\$ 42,434,561</u>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING BALANCE SHEET - AGENCY FUND  
MARCH 31, 2012

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	<u>Appearance Bond Deposits</u>
ASSETS:	
Cash and investments:	
Restricted.....	\$ 35,510
TOTAL ASSETS.....	<u>\$ 35,510</u>
LIABILITIES:	
Deposits payable.....	\$ 35,510
TOTAL LIABILITIES.....	<u>\$ 35,510</u>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED MARCH 31, 2012

	Balance April 1, 2011	Additions	Deletions	Balance March 31, 2012
<b>Appearance Bond Deposits</b>				
<b>ASSETS:</b>				
Cash and investments - restricted.....	\$ 51,010	\$ 104,409	\$ 119,909	\$ 35,510
Total Assets.....	<u>\$ 51,010</u>	<u>\$ 104,409</u>	<u>\$ 119,909</u>	<u>\$ 35,510</u>
<b>LIABILITIES:</b>				
Deposits payable.....	\$ 51,010	\$ 104,409	\$ 119,909	\$ 35,510
Total Liabilities.....	<u>\$ 51,010</u>	<u>\$ 104,409</u>	<u>\$ 119,909</u>	<u>\$ 35,510</u>

See accompanying independent auditors' report

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## **DISCRETELY PRESENTED COMPONENT UNIT**

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### **Industrial Development Authority of the City of Kirkwood, Missouri (IDA)**

The IDA is a not-for-profit corporation established by an Ordinance of the City Council and formed under RSMo. Chapter 39, *The Industrial Development Corporations Act*. It is designed to develop, advance, encourage and promote commercial, industrial and manufacturing facilities in the City. Separate financial statements are not prepared for the IDA.

CITY OF KIRKWOOD, MISSOURI

BALANCE SHEET - INDUSTRIAL DEVELOPMENT AUTHORITY  
(A DISCRETELY PRESENTED COMPONENT UNIT)  
MARCH 31, 2012

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	Total
ASSETS:	
Cash and investments:	
Unrestricted.....	\$ 116,646
Interest receivable.....	247
Total Assets.....	116,893
LIABILITIES:	
Accounts payable.....	-
Total Current Liabilities.....	-
FUND BALANCE	
Unassigned.....	116,893
TOTAL NET ASSETS.....	\$ 116,893

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET ASSETS - INDUSTRIAL DEVELOPMENT AUTHORITY  
(A DISCRETELY PRESENTED COMPONENT UNIT)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2012

---

	<u>Total</u>
REVENUES:	
Investment income.....	<u>\$ 2,257</u>
Total Revenues.....	<u>2,257</u>
EXPENDITURES:	
Administrative and general.....	<u>-</u>
Total Expenditures.....	<u>-</u>
CHANGE IN NET ASSETS.....	2,257
NET ASSETS, BEGINNING OF YEAR.....	<u>114,636</u>
NET ASSETS, END OF YEAR.....	<u><u>\$ 116,893</u></u>

See accompanying independent auditors' report

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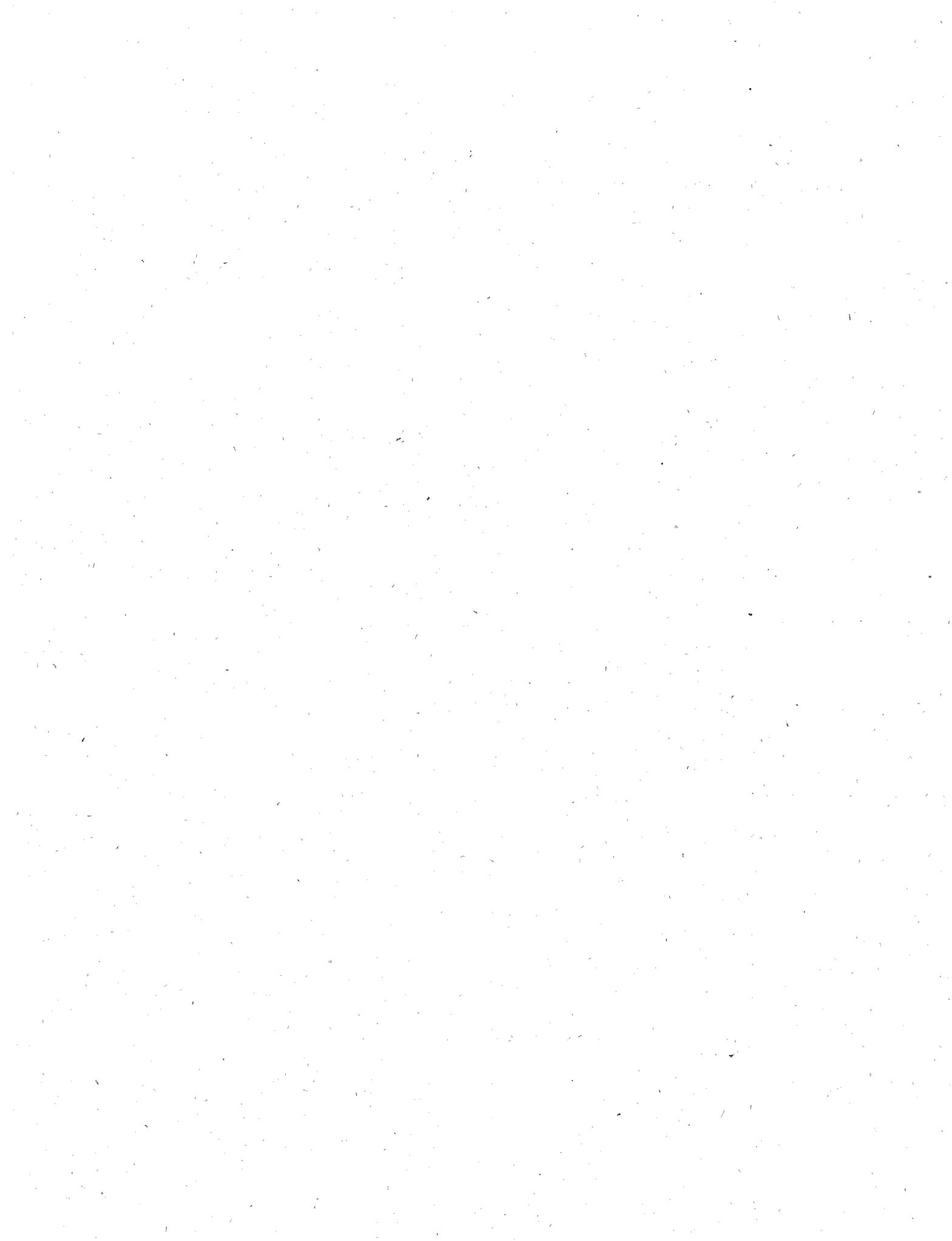
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**City of**

**Statistical Section**

**Kirkwood**

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CITY OF KIRKWOOD, MISSOURI

**Statistical Section**

This part of the City of Kirkwood'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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These pages contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	102
<b>Revenue Capacity</b> These pages contain information to help the reader assess the City's most significant local revenue sources.	109
<b>Debt Capacity</b> These pages present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	117
<b>Demographic and Economic Information</b> These pages offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	121
<b>Operating Information</b> These pages contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	123

**Sources:** Unless otherwise noted, the information in this section is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information include information beginning in that year.

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CITY OF KIRKWOOD, MISSOURI

NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS

	Fiscal Year Ended March 31,								
	2004	2005 <sup>a</sup>	2006 <sup>b</sup>	2007	2008 <sup>c</sup>	2009 <sup>d</sup>	2010 <sup>e</sup>	2011	2012
<b>Governmental Activities:</b>									
Invested in capital assets, net of related debt.....	\$ 23,188,368	\$ 28,479,834	\$ 28,540,172	\$ 29,899,402	\$ 33,343,255	\$ 35,972,457	\$ 40,389,161	\$ 46,153,655	\$ 50,073,461
Restricted for:									
Capital projects.....	8,462,998	5,249,060	6,245,227	6,605,134	6,520,451	6,817,462	5,217,404	2,465,998	2,415,994
Debt service.....	856,177	2,127,376	2,215,362	2,343,396	2,275,390	2,030,332	2,134,897	2,289,210	1,941,607
Law enforcement.....	-	-	-	-	208,857	258,582	130,511	104,620	236,162
Park operations.....	-	-	-	-	-	-	1,164,982	1,244,613	1,384,988
Police and fire pension.....	-	-	-	-	-	3,458,067	3,479,833	3,279,934	3,118,751
Sewer lateral.....	-	-	-	-	-	-	463,476	596,602	771,756
Special business district.....	-	-	-	-	-	-	179,197	204,396	191,749
TIF bonds and notes.....	2,427,957	4,282,196	4,493,256	4,341,267	736,158	815,238	-	-	-
Unrestricted.....	(12,870,444)	(13,268,059)	(9,369,624)	(5,477,925)	2,329,558	6,669,276	6,585,255	7,335,848	6,819,661
<b>Total Governmental Activities Net Assets.....</b>	<b>\$ 22,065,056</b>	<b>\$ 26,870,407</b>	<b>\$ 32,124,393</b>	<b>\$ 37,711,274</b>	<b>\$ 45,413,669</b>	<b>\$ 56,021,414</b>	<b>\$ 59,744,716</b>	<b>\$ 63,674,876</b>	<b>\$ 66,954,129</b>
<b>Business-Type Activities:</b>									
Invested in capital assets, net of related debt.....	\$ 9,370,078	\$ 9,597,615	\$ 8,355,320	\$ 6,075,873	\$ 7,383,260	\$ 8,086,717	\$ 8,194,874	\$ 10,249,193	\$ 11,237,213
Restricted for Debt Service.....	-	-	-	-	-	266,246	704,360	704,368	704,381
Unrestricted.....	23,811,864	24,638,724	28,570,350	32,067,905	35,687,581	32,881,540	25,521,922	19,966,392	24,994,544
<b>Total Business-Type Activities Net Assets.....</b>	<b>\$ 33,181,942</b>	<b>\$ 34,236,339</b>	<b>\$ 36,925,670</b>	<b>\$ 38,143,778</b>	<b>\$ 43,070,841</b>	<b>\$ 41,234,503</b>	<b>\$ 34,421,156</b>	<b>\$ 30,919,953</b>	<b>\$ 36,936,138</b>
<b>Primary Government:</b>									
Invested in capital assets, net of related debt.....	\$ 32,558,446	\$ 38,077,449	\$ 36,895,492	\$ 35,975,275	\$ 40,726,515	\$ 44,059,174	\$ 48,584,035	\$ 56,402,848	\$ 61,310,674
Restricted for:									
Capital projects.....	8,462,998	5,249,060	6,245,227	6,605,134	6,520,451	6,817,462	5,217,404	2,465,998	2,415,994
Debt service.....	856,177	2,127,376	2,215,362	2,343,396	2,275,390	2,296,578	2,839,257	2,993,578	2,645,988
Law enforcement.....	-	-	-	-	208,857	258,582	130,511	104,620	236,162
Park operations.....	-	-	-	-	-	-	1,164,982	1,244,613	1,384,988
Police and fire pension.....	-	-	-	-	-	3,458,067	3,479,833	3,279,934	3,118,751
Sewer lateral.....	-	-	-	-	-	-	463,476	596,602	771,756
Special business district.....	-	-	-	-	-	-	179,197	204,396	191,749
TIF bonds and notes.....	2,427,957	4,282,196	4,493,256	4,341,267	736,158	815,238	-	-	-
Unrestricted.....	10,941,420	11,370,665	19,200,726	26,589,980	38,017,139	39,550,816	32,107,177	27,302,240	31,814,205
<b>Total Primary Government Net Assets.....</b>	<b>\$ 55,246,998</b>	<b>\$ 61,106,746</b>	<b>\$ 69,050,063</b>	<b>\$ 75,855,052</b>	<b>\$ 88,484,510</b>	<b>\$ 97,255,917</b>	<b>\$ 94,165,872</b>	<b>\$ 94,594,829</b>	<b>\$ 103,890,267</b>

<sup>a</sup>The following prior period adjustments were made in Fiscal Year 2005:

Governmental Activities  
Invested in capital assets, net of related debt was increased \$588,288 to correct capital asset beginning balances.  
Unrestricted was increased by \$75,155 to correct prior period accounts payables.

Business-Type Activities  
Invested in capital assets, net of related debt was decreased \$10,610 to correct capital asset beginning balances.

<sup>b</sup>The following prior period adjustments were made in Fiscal Year 2006:

Governmental Activities  
Unrestricted was decreased by \$40,530 to correct prior period accounts payables.

<sup>c</sup>The following prior period adjustment were made in Fiscal Year 2008:

Governmental Activities  
Unrestricted was decreased by \$43,436 to correct prior period deferred revenue.

<sup>d</sup>The following prior period adjustment were made in Fiscal Year 2009:

Governmental Activities  
Restricted for: Police and Fire Pension was added in the amount of \$3,321,732. The pension levy portion has been separated and is reported as a special revenue fund, P&F Pension Property Tax Fund.

<sup>e</sup>The following prior period adjustment was made:

Governmental Activities  
Unrestricted was increased by \$56,645 to record sales tax revenue from modified accrual to full accrual.

CITY OF KIRKWOOD, MISSOURI

CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS

	Fiscal Year Ended March 31,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses:</b>									
<b>Governmental Activities:</b>									
General government.....	\$ 4,688,214	\$ 4,768,694	\$ 4,935,628	\$ 4,297,905	\$ 4,373,999	\$ 3,669,761	\$ 3,491,882	\$ 3,021,818	\$ 3,822,665
Purchasing.....	227,747	239,462	236,820	235,499	236,315	323,155	348,064	355,320	370,231
Engineering.....	425,809	451,564	358,580	366,342	308,752	299,729	381,851	344,617	331,728
Building maintenance.....	285,428	296,923	249,024	250,774	269,987	409,579	392,958	419,619	477,318
Building commissioner.....	551,471	618,930	588,369	647,741	601,951	618,245	642,225	633,227	587,664
Police.....	4,652,741	4,715,579	4,574,505	4,917,094	5,495,193	6,365,135	6,540,285	6,994,710	7,324,109
Fire.....	3,963,503	4,056,537	4,060,604	4,172,363	4,749,938	5,479,307	5,769,209	5,788,620	5,852,373
Streets.....	2,460,173	2,536,009	2,206,932	2,101,882	2,250,705	2,338,867	2,348,174	2,472,040	2,502,988
Parks.....	978,017	1,109,611	1,027,385	1,047,051	1,165,313	1,269,285	1,446,396	1,559,311	1,608,918
Recreation.....	2,123,837	2,170,689	2,170,646	2,237,529	2,439,274	2,499,541	2,478,971	2,580,364	2,573,528
Interest on long-term debt.....	3,717,676	2,142,644	1,600,102	1,461,984	1,592,120	973,108	1,021,841	733,959	607,851
Total Governmental Activities Expenses.....	<u>24,074,616</u>	<u>23,106,642</u>	<u>22,008,595</u>	<u>21,736,164</u>	<u>23,483,547</u>	<u>24,245,712</u>	<u>24,861,856</u>	<u>24,903,605</u>	<u>26,059,373</u>
<b>Business-Type Activities Expenses:</b>									
Electric.....	11,109,758	11,245,809	11,709,055	12,441,490	12,592,380	15,092,793	21,826,992	22,983,408	15,766,443
Water.....	2,601,565	2,748,290	3,914,250	5,021,933	3,344,549	3,267,137	3,606,859	4,056,703	4,011,031
Sanitation.....	2,074,363	2,037,803	2,118,039	2,145,594	2,291,488	2,469,613	2,395,032	2,929,443	2,531,020
Total Business-Type Activities Expenses.....	<u>15,785,686</u>	<u>16,031,902</u>	<u>17,741,344</u>	<u>19,609,017</u>	<u>18,228,417</u>	<u>20,829,543</u>	<u>27,828,883</u>	<u>29,969,554</u>	<u>22,308,494</u>
Total Primary Government Expenses.....	<u>\$ 39,860,302</u>	<u>\$ 39,138,544</u>	<u>\$ 39,749,939</u>	<u>\$ 41,345,181</u>	<u>\$ 41,711,964</u>	<u>\$ 45,075,255</u>	<u>\$ 52,690,739</u>	<u>\$ 54,873,159</u>	<u>\$ 48,367,867</u>
<b>Program Revenues:</b>									
<b>Governmental Activities:</b>									
<b>Charges for Services:</b>									
General government.....	\$ 1,821,808	\$ 2,004,790	\$ 1,922,864	\$ 2,156,336	\$ 1,996,747	\$ 2,044,514	\$ 2,063,903	\$ 2,137,260	\$ 2,240,380
Building commissioner.....	762,126	802,837	959,339	836,284	925,287	668,134	582,796	823,535	750,809
Fire.....	730,822	558,272	521,594	469,010	651,217	690,494	567,230	674,579	725,835
Recreation.....	1,384,737	1,325,559	1,422,966	1,607,710	1,578,549	1,566,561	1,679,237	1,659,948	1,669,546
Other activities.....	255,443	322,148	335,285	411,499	424,759	372,539	418,996	456,255	414,433
Operating grants and contributions.....	90,586	96,606	172,234	290,150	553,706	231,323	151,388	183,938	397,780
Capital grants and contributions.....	391,912	60,380	345,158	230,520	9,704	135,842	512,625	203,389	1,143,090
Total Governmental Activities Program Revenues.....	<u>5,437,434</u>	<u>5,170,592</u>	<u>5,679,440</u>	<u>6,001,509</u>	<u>6,139,969</u>	<u>5,709,407</u>	<u>5,976,175</u>	<u>6,138,904</u>	<u>7,341,873</u>
<b>Business-Type Activities:</b>									
<b>Charges for Services:</b>									
Electric.....	13,474,074	13,311,734	14,136,937	13,956,969	14,940,084	14,221,834	14,278,400	19,989,393	20,632,374
Water.....	3,346,490	3,291,494	3,780,841	3,964,110	4,198,440	4,117,968	4,513,334	4,710,065	5,257,765
Sanitation.....	1,667,586	2,529,323	2,657,727	2,715,105	2,697,962	2,658,607	2,493,754	2,556,415	2,668,890
Operating grants and contributions.....	75,127	59,555	65,807	55,018	158,715	43,281	41,015	202,558	176,465
Capital grants and contributions.....	-	-	-	-	-	-	46,755	109,683	108,285
Total Business-Type Activities Program Revenues.....	<u>18,563,277</u>	<u>19,192,106</u>	<u>20,641,312</u>	<u>20,691,202</u>	<u>21,995,201</u>	<u>21,041,690</u>	<u>21,373,258</u>	<u>27,568,114</u>	<u>28,843,779</u>
Total Primary Government Program Revenues.....	<u>\$ 24,000,711</u>	<u>\$ 24,362,698</u>	<u>\$ 26,320,752</u>	<u>\$ 26,692,711</u>	<u>\$ 28,135,170</u>	<u>\$ 26,751,097</u>	<u>\$ 27,349,433</u>	<u>\$ 33,707,018</u>	<u>\$ 36,185,652</u>

CITY OF KIRKWOOD, MISSOURI  
CHANGES IN NET ASSETS (CONTINUED)  
LAST NINE FISCAL YEARS

	Fiscal Year Ended March 31,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Net (Expense)/Revenue:</b>									
Governmental activities.....	\$ (18,637,182)	\$ (17,936,050)	\$ (16,329,155)	\$ (15,734,655)	\$ (17,343,578)	\$ (18,536,305)	\$ (18,885,681)	\$ (18,764,701)	\$ (18,717,500)
Business-type activities.....	2,777,591	3,160,204	2,899,968	1,082,185	3,766,784	212,147	(6,455,625)	(2,401,440)	6,535,285
Total Primary Government Net Expense.....	<u>\$ (15,859,591)</u>	<u>\$ (14,775,846)</u>	<u>\$ (13,429,187)</u>	<u>\$ (14,652,470)</u>	<u>\$ (13,576,794)</u>	<u>\$ (18,324,158)</u>	<u>\$ (25,341,306)</u>	<u>\$ (21,166,141)</u>	<u>\$ (12,182,215)</u>
<b>General Revenues and Other Changes in Net Assets:</b>									
Governmental Activities:									
Taxes:									
Property taxes.....	\$ 3,627,058	\$ 3,622,537	\$ 3,655,532	\$ 3,572,951	\$ 5,411,504	\$ 5,441,110	\$ 4,863,382	\$ 4,860,932	\$ 4,301,948
Sales taxes.....	10,106,266	10,603,863	10,405,908	10,392,675	9,767,468	8,988,315	8,986,499	8,576,654	8,818,010
Other taxes.....	5,249,945	5,317,410	5,660,985	5,844,636	6,619,817	7,047,854	7,135,966	7,060,839	7,005,351
Investment earnings.....	635,024	5,333	450,160	901,413	1,218,193	683,612	328,843	149,812	369,438
Gain/(loss) on sale of capital assets.....	(239,989)	-	24,377	60,499	109,682	92,921	-	24,571	70,873
Miscellaneous.....	398,675	421,097	354,300	478,194	386,453	391,449	417,228	494,988	349,562
Transfers.....	2,524,112	2,107,718	1,072,409	71,168	1,576,292	3,177,055	877,065	1,527,065	1,081,571
Total Government Activities.....	<u>22,301,091</u>	<u>22,077,958</u>	<u>21,623,671</u>	<u>21,321,536</u>	<u>25,089,409</u>	<u>25,822,316</u>	<u>22,608,983</u>	<u>22,694,861</u>	<u>21,996,753</u>
Business-Type Activities									
Investment earnings.....	773,357	4,759	846,432	1,759,153	2,736,571	1,128,570	519,343	267,698	531,897
Gain/(loss) on sale of capital assets.....	15,162	7,762	15,340	(1,552,062)	-	-	-	159,604	30,574
Transfers.....	(2,524,112)	(2,107,718)	(1,072,409)	(71,168)	(1,576,292)	(3,177,055)	(877,065)	(1,527,065)	(1,081,571)
Total Business-Type Activities.....	<u>(1,735,593)</u>	<u>(2,095,197)</u>	<u>(210,637)</u>	<u>135,923</u>	<u>1,160,279</u>	<u>(2,048,485)</u>	<u>(357,722)</u>	<u>(1,099,763)</u>	<u>(519,100)</u>
Total Primary Government.....	<u>\$ 20,565,498</u>	<u>\$ 19,982,761</u>	<u>\$ 21,413,034</u>	<u>\$ 21,457,459</u>	<u>\$ 26,249,688</u>	<u>\$ 23,773,831</u>	<u>\$ 22,251,261</u>	<u>\$ 21,595,098</u>	<u>\$ 21,477,653</u>
<b>Change in Net Assets:</b>									
Governmental activities.....	\$ 3,663,909	\$ 4,141,908	\$ 5,294,516	\$ 5,586,881	\$ 7,745,831	\$ 7,286,011	\$ 3,723,302	\$ 3,930,160	\$ 3,279,253
Business-type activities.....	1,041,998	1,065,007	2,689,331	1,218,108	4,927,063	(1,836,338)	(6,813,347)	(3,501,203)	6,016,185
Total Primary Government.....	<u>\$ 4,705,907</u>	<u>\$ 5,206,915</u>	<u>\$ 7,983,847</u>	<u>\$ 6,804,989</u>	<u>\$ 12,672,894</u>	<u>\$ 5,449,673</u>	<u>\$ (3,090,045)</u>	<u>\$ 428,957</u>	<u>\$ 9,295,438</u>
<b>Total Primary Government Net Assets</b>									
Governmental activities									
Net assets, beginning.....	\$ 18,401,147	\$ 22,065,056	\$ 26,870,407	\$ 32,124,393	\$ 37,711,274	\$ 45,413,669	\$ 56,021,414	\$ 59,744,716	\$ 63,674,876
Prior period adjustment.....	-	663,443	(40,530)	-	(43,436)	3,321,734	-	-	-
Net assets, beginning, as restated.....	<u>18,401,147</u>	<u>22,728,499</u>	<u>26,829,877</u>	<u>32,124,393</u>	<u>37,667,838</u>	<u>48,735,403</u>	<u>56,021,414</u>	<u>59,744,716</u>	<u>63,674,876</u>
Net assets, ending.....	<u>22,065,056</u>	<u>26,870,407</u>	<u>32,124,393</u>	<u>37,711,274</u>	<u>45,413,669</u>	<u>56,021,414</u>	<u>59,744,716</u>	<u>63,674,876</u>	<u>66,954,129</u>
Business-type activities									
Net assets, beginning.....	32,139,944	33,181,942	34,236,339	36,925,670	38,143,778	43,070,841	41,234,503	34,421,156	30,919,953
Prior period adjustment.....	-	(10,610)	-	-	-	-	-	-	-
Net assets, beginning, as restated.....	<u>32,139,944</u>	<u>33,171,332</u>	<u>34,236,339</u>	<u>36,925,670</u>	<u>38,143,778</u>	<u>43,070,841</u>	<u>41,234,503</u>	<u>34,421,156</u>	<u>30,919,953</u>
Net assets, ending.....	<u>33,181,942</u>	<u>34,236,339</u>	<u>36,925,670</u>	<u>38,143,778</u>	<u>43,070,841</u>	<u>41,234,503</u>	<u>34,421,156</u>	<u>30,919,953</u>	<u>36,936,138</u>
Total Primary Government.....	<u>\$ 55,246,998</u>	<u>\$ 61,106,746</u>	<u>\$ 69,050,063</u>	<u>\$ 75,855,052</u>	<u>\$ 88,484,510</u>	<u>\$ 97,255,917</u>	<u>\$ 94,165,872</u>	<u>\$ 94,594,829</u>	<u>\$ 103,890,267</u>

CITY OF KIRKWOOD, MISSOURI

PROGRAM REVENUES BY FUNCTION/PROGRAM  
LAST NINE FISCAL YEARS

	Fiscal Year Ended March 31,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Function/Program:</b>									
<b>Governmental Activities:</b>									
General government and finance..	\$ 1,879,558	\$ 2,086,058	\$ 1,972,075	\$ 2,391,531	\$ 2,481,298	\$ 2,103,319	\$ 2,123,036	\$ 2,165,451	\$ 2,244,379
Engineering.....	32,341	64,133	78,510	123,015	116,740	77,255	52,050	75,545	75,125
Building commissioner.....	762,126	802,837	959,339	836,284	925,287	668,134	582,796	823,535	750,809
Police.....	179,652	244,557	278,861	240,227	296,892	395,856	378,783	447,086	655,922
Fire.....	749,689	558,272	541,927	471,630	651,217	690,494	590,515	676,579	728,835
Streets.....	17,916	14,969	-	-	-	-	17,325	122,329	644,744
Parks.....	339,503	74,207	52,112	77,162	65,786	91,510	147,902	59,083	63,521
Recreation.....	1,476,649	1,325,559	1,796,616	1,861,660	1,602,749	1,682,839	2,083,768	1,769,296	2,178,538
Subtotal Governmental Activities....	<u>5,437,434</u>	<u>5,170,592</u>	<u>5,679,440</u>	<u>6,001,509</u>	<u>6,139,969</u>	<u>5,709,407</u>	<u>5,976,175</u>	<u>6,138,904</u>	<u>7,341,873</u>
<b>Business-Type Activities:</b>									
Electric.....	13,474,074	13,311,734	14,136,937	13,956,969	15,037,603	14,221,834	14,278,400	19,989,393	20,632,374
Water.....	3,346,490	3,291,494	3,780,841	3,964,110	4,198,440	4,117,968	4,560,089	4,819,748	5,366,050
Sanitation.....	1,742,713	2,588,878	2,723,534	2,770,123	2,759,158	2,701,888	2,534,769	2,758,973	2,845,355
Subtotal Business-Type Activities....	<u>18,563,277</u>	<u>19,192,106</u>	<u>20,641,312</u>	<u>20,691,202</u>	<u>21,995,201</u>	<u>21,041,690</u>	<u>21,373,258</u>	<u>27,568,114</u>	<u>28,843,779</u>
<b>Total Primary Government.....</b>	<u>\$ 24,000,711</u>	<u>\$ 24,362,698</u>	<u>\$ 26,320,752</u>	<u>\$ 26,692,711</u>	<u>\$ 28,135,170</u>	<u>\$ 26,751,097</u>	<u>\$ 27,349,433</u>	<u>\$ 33,707,018</u>	<u>\$ 36,185,652</u>

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CITY OF KIRKWOOD, MISSOURI

FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Nonspendable:										
Inventories.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,342	\$ 75,303	\$ 76,868
Prepaid assets.....	-	-	-	-	-	-	-	6,062	8,072	3,897
Assigned to:										
Projected use of reserves.....	-	-	-	-	-	-	-	2,811,462	2,530,257	1,332,554
Unassigned:										
Reserved.....	90,404	98,765	77,801	70,936	69,125	80,441	81,193	-	-	-
Unreserved.....	1,737,243	2,487,963	2,684,763	3,723,530	3,602,703	6,534,191	8,719,619	-	-	-
Total General Fund.....	<u>\$ 1,827,647</u>	<u>\$ 2,586,728</u>	<u>\$ 2,762,564</u>	<u>\$ 3,794,466</u>	<u>\$ 3,671,828</u>	<u>\$ 6,614,632</u>	<u>\$ 8,800,812</u>	<u>\$ 8,730,178</u>	<u>\$ 8,826,777</u>	<u>\$ 7,791,922</u>
All Other Governmental Funds:										
Restricted for:										
Capital projects.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,217,404	\$ 2,465,998	\$ 2,415,994
Debt service.....	-	-	-	-	-	-	-	2,142,334	1,586,419	1,592,510
Law enforcement.....	-	-	-	-	-	-	-	130,511	104,620	236,162
Park operations.....	-	-	-	-	-	-	-	1,118,546	1,244,613	1,384,988
Police and fire pension.....	-	-	-	-	-	-	-	3,442,950	3,279,934	3,118,751
Sewer lateral.....	-	-	-	-	-	-	-	463,476	596,602	771,756
Special business district.....	-	-	-	-	-	-	-	164,190	204,396	191,749
TIF bonds and notes.....	-	-	-	-	-	-	-	669,766	680,217	354,091
Reserved.....	13,019,452	9,785,016	7,514,854	8,626,964	9,145,210	9,057,122	9,104,098	-	-	-
Unreserved, reported in:										
Special revenue funds.....	4,638,749	3,637,025	5,570,229	5,960,028	6,062,062	2,545,753	6,129,017	-	-	-
Total All Other Governmental Funds.....	<u>\$ 17,658,201</u>	<u>\$ 13,422,041</u>	<u>\$ 13,085,083</u>	<u>\$ 14,586,992</u>	<u>\$ 15,207,272</u>	<u>\$ 11,602,875</u>	<u>\$ 15,233,115</u>	<u>\$ 13,349,177</u>	<u>\$ 10,162,799</u>	<u>\$ 10,066,001</u>

CITY OF KIRKWOOD, MISSOURI

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Taxes.....	\$ 18,587,906	\$ 18,980,757	\$ 19,521,960	\$ 19,734,860	\$ 19,786,041	\$ 21,715,753	\$ 21,417,215	\$ 20,427,387	\$ 20,489,250	\$ 20,231,294
Intergovernmental.....	346,401	329,674	336,019	354,689	500,815	768,934	436,572	461,501	522,915	479,014
Licenses, permits, fines and fees.....	2,159,315	2,502,023	2,681,056	2,754,081	2,937,618	2,877,439	2,734,141	2,527,056	2,890,393	3,159,029
Interest on investments.....	1,019,963	558,083	9,769	408,716	839,394	1,173,612	659,439	310,834	139,449	341,129
Charges for services.....	1,420,664	2,065,442	1,858,815	1,916,124	2,046,020	2,194,020	2,229,822	2,234,267	2,312,891	2,376,950
Grants and contributions.....	*	355,000	40,850	341,738	227,450	-	-	452,828	116,893	1,044,132
Other.....	563,320	569,649	634,342	660,594	725,697	683,852	698,802	715,179	692,495	654,804
<b>Total Revenues.....</b>	<b>24,097,569</b>	<b>25,360,628</b>	<b>25,082,811</b>	<b>26,170,802</b>	<b>27,063,035</b>	<b>29,413,610</b>	<b>28,175,991</b>	<b>27,129,052</b>	<b>27,164,286</b>	<b>28,286,352</b>
<b>Expenditures:</b>										
General government.....	3,264,143	3,528,176	3,227,754	3,134,302	3,319,112	3,226,821	3,343,109	3,243,396	3,337,487	3,475,859
Purchasing.....	208,215	227,747	233,086	235,377	235,431	233,930	314,537	334,393	350,191	366,809
Engineering.....	439,882	421,229	439,124	352,496	355,279	306,993	292,086	375,395	337,229	332,089
Building maintenance.....	326,295	285,428	289,670	243,889	245,393	268,139	343,642	334,676	379,951	393,925
Building commissioner.....	556,082	551,471	605,929	589,390	620,905	593,720	610,481	636,016	635,226	579,708
Police.....	4,490,030	4,519,525	4,557,409	4,386,924	4,725,854	5,299,252	6,275,642	6,445,351	6,896,387	7,147,973
Fire.....	3,321,929	3,613,520	3,635,410	3,547,180	3,809,314	4,352,170	5,087,210	5,229,074	5,313,435	5,362,889
Streets.....	1,801,792	1,616,271	1,565,693	1,323,337	1,255,150	1,384,722	1,486,801	1,445,518	1,462,292	1,518,372
Recreation.....	1,548,043	1,544,317	1,526,889	1,603,019	1,672,268	1,844,051	1,880,742	1,912,785	1,987,716	2,027,186
Parks.....	791,948	834,946	898,517	865,626	889,524	1,012,809	1,079,354	1,174,145	1,211,238	1,229,760
Capital outlay.....	8,004,640	5,241,577	4,968,828	2,107,465	2,981,546	4,628,194	3,708,496	5,640,735	7,018,006	6,005,542
Debt service:										
Issuance Costs.....	-	-	-	-	-	-	-	58,700	-	-
Interest.....	2,908,016	3,450,843	2,038,944	1,523,784	1,427,706	1,217,210	1,990,000	840,620	2,155,000	567,047
Principal.....	4,569,000	5,616,728	3,570,000	4,965,000	5,194,000	7,390,000	983,744	2,099,204	737,681	1,640,000
Payments to escrow agent.....	-	-	-	-	-	-	-	311,200	-	-
<b>Total Expenditures.....</b>	<b>32,230,015</b>	<b>31,451,778</b>	<b>27,557,253</b>	<b>24,877,789</b>	<b>26,731,482</b>	<b>31,758,011</b>	<b>27,395,844</b>	<b>30,081,208</b>	<b>31,821,839</b>	<b>30,647,159</b>
Excess of revenues over (under) expenditures.....	(8,132,446)	(6,091,150)	(2,474,442)	1,293,013	331,553	(2,344,401)	780,147	(2,952,156)	(4,657,553)	(2,360,807)
<b>Other Financing Sources (Uses):</b>										
Issuance of refunding GO bonds.....	-	23,853,982	-	-	-	-	-	4,185,000	-	-
Discount on refunding GO bonds.....	-	-	-	-	-	-	-	(27,202)	-	-
Proceeds from sale of capital assets.....	15,019	165,367	43,047	173,846	94,921	149,952	137,484	61,819	40,709	147,383
Payments to escrow agent.....	-	(24,218,201)	-	-	-	-	-	(4,099,098)	-	-
Transfers in.....	2,973,060	3,184,112	2,855,118	1,553,354	621,168	2,763,332	2,003,159	1,860,288	2,132,530	3,449,559
Transfers out.....	(310,000)	(660,000)	(660,000)	(486,402)	(550,000)	(1,187,040)	(426,104)	(983,223)	(605,465)	(2,367,788)
<b>Total Other Financing Sources (Uses).....</b>	<b>2,678,079</b>	<b>2,325,260</b>	<b>2,238,165</b>	<b>1,240,798</b>	<b>166,089</b>	<b>1,726,244</b>	<b>1,714,539</b>	<b>997,584</b>	<b>1,567,774</b>	<b>1,229,154</b>
<b>Net Change In Fund Balances.....</b>	<b>\$ (5,454,367)</b>	<b>\$ (3,765,890)</b>	<b>\$ (236,277)</b>	<b>\$ 2,533,811</b>	<b>\$ 497,642</b>	<b>\$ (618,157)</b>	<b>\$ 2,494,686</b>	<b>\$ (1,954,572)</b>	<b>\$ (3,089,779)</b>	<b>\$ (1,131,653)</b>
Debt service as a percentage of noncapital expenditures.....	37.0%	33.3%	23.7%	27.6%	27.5%	31.3%	12.4%	11.9%	11.5%	8.8%

CITY OF KIRKWOOD, MISSOURI

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Sales & Use	Property	Utility Gross Receipts	Gasoline/Motor Vehicle Sales	Highway Road and Bridge	Franchise	Cigarette	Total
2003	\$ 9,978,245	\$3,452,606	\$ 3,264,969	\$ 1,086,515	\$ 514,698	\$ 187,983	\$ 102,890	\$ 18,587,906
2004	10,106,266	3,624,547	3,274,556	1,120,592	531,181	219,136	104,479	18,980,757
2005	10,603,862	3,600,688	3,308,689	1,141,847	536,605	231,456	98,813	19,521,960
2006	10,405,908	3,667,967	3,578,144	1,124,626	621,368	238,436	98,411	19,734,860
2007	10,392,675	3,548,730	3,693,638	1,164,505	640,602	251,373	94,518	19,786,041
2008	9,767,468	5,328,468	4,400,733	1,119,624	772,018	237,210	90,232	21,715,753
2009	8,988,314	5,381,046	4,853,797	1,032,608	786,380	283,567	91,503	21,417,215
2010	8,429,854	4,861,566	4,966,983	1,017,004	741,313	333,332	77,335	20,427,387
2011	8,533,126	4,891,680	4,798,038	1,053,301	741,644	392,896	78,565	20,489,250
2012	8,889,445	4,331,358	4,786,762	1,022,331	721,122	403,980	76,296	20,231,294
Change 2003-2012	-10.9%	25.5%	46.6%	-5.9%	40.1%	114.9%	-25.9%	8.8%

CITY OF KIRKWOOD, MISSOURI

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

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<u>Fiscal Year</u> <u>Ended</u> <u>March 31,</u>	<u>Residential Real</u> <u>Estate Property</u>	<u>Commercial</u> <u>Real Estate</u> <u>Property</u>	<u>Regular</u> <u>Personal</u> <u>Property</u>	<u>Total Taxable</u> <u>Assessed Value</u>	<u>Total</u> <u>Direct Tax</u> <u>Rate</u>	<u>Estimated Actual</u> <u>Taxable Value</u>	<u>Assessed</u> <u>Value as a</u> <u>Percentage of</u> <u>Actual Value</u>
2003	343,216,330	80,951,693	78,327,058	502,495,081	0.585	2,294,380,452	21.901
2004	370,049,730	82,353,992	76,955,374	529,359,096	0.576	2,435,875,594	21.732
2005	373,661,390	84,036,011	73,220,755	530,918,156	0.573	2,448,935,663	21.680
2006	443,278,290	101,388,970	76,061,567	620,728,827	0.483	2,878,091,685	21.567
2007	455,574,140	99,361,195	80,129,604	635,064,939	0.478	2,948,675,219	21.537
2008	559,912,540	120,413,032	78,381,210	758,706,782	0.662	3,558,365,977	21.322
2009	565,433,950	118,665,747	79,119,443	763,219,140	0.664	3,584,180,684	21.294
2010	526,140,160	117,452,818	73,310,002	716,902,980	0.631	3,356,150,794	21.361
2011	529,101,680	117,221,517	66,185,197	712,508,394	0.624	3,349,638,373	21.271
2012	518,688,130	105,102,560	65,525,970	689,316,660	0.645	3,254,980,596	21.177

**Source:** Office of the St. Louis County Assessor

**Note:** St. Louis County assesses property at approximately 19 percent of actual value for residential, 32 percent for commercial, and 33-1/3 of value for personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

CITY OF KIRKWOOD, MISSOURI

DIRECT AND OVERLAPPING PROPERTY TAX RATES (RATE PER \$100 OF ASSESSED VALUE)  
LAST TEN FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>City of Kirkwood Direct Rates:</b>										
General Fund.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.276	\$ 0.276	\$ 0.280	\$ 0.274	\$ 0.293
Kirkwood Park Fund.....	0.130	0.133	0.136	0.130	0.130	0.130	0.130	0.132	0.127	0.138
Police and Firemen Retirement Fund.....	0.168	0.163	0.158	0.154	0.158	0.136	0.138	0.129	0.133	0.136
Debt Service Fund.....	<u>0.287</u>	<u>0.280</u>	<u>0.279</u>	<u>0.199</u>	<u>0.190</u>	<u>0.120</u>	<u>0.120</u>	<u>0.090</u>	<u>0.090</u>	<u>0.078</u>
Total Direct Rate.....	<u>\$ 0.585</u>	<u>\$ 0.576</u>	<u>\$ 0.573</u>	<u>\$ 0.483</u>	<u>\$ 0.478</u>	<u>\$ 0.662</u>	<u>\$ 0.664</u>	<u>\$ 0.631</u>	<u>\$ 0.624</u>	<u>\$ 0.645</u>
<b>Overlapping Rates:</b>										
County and State.....	0.610	0.610	0.610	0.588	0.588	0.588	0.588	0.553	0.553	0.553
Kirkwood Public Library.....	0.223	0.215	0.219	0.193	0.195	0.174	0.286	0.302	0.302	0.302
Special Business District.....	0.480	0.480	0.571	0.415	0.466	0.421	0.448	0.456	0.456	0.456
School Districts.....	4.825	4.814	4.882	4.777	5.081	5.179	5.042	5.236	5.400	5.520
Sewer Districts.....	0.131	0.135	0.135	0.129	0.129	0.127	-	-	0.160	0.166
Other.....	0.307	0.311	0.361	0.347	0.343	0.303	0.303	0.323	0.334	0.351

Source: St. Louis County Department of Revenue

CITY OF KIRKWOOD, MISSOURI

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

Tax Payer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
Kirkwood Commons LLC.....	\$ 5,533,320	1	0.80 %	\$ 5,244,760	1	0.99 %
Novus Investment LLC.....	4,752,770	2	0.69	4,769,200	2	0.90
Chaminade College Society.....	4,339,580	3	0.63	2,286,920	8	0.43
Kirkwood Station Acquisition LLC.....	4,124,580	4	0.60	-	-	-
Pioneer Place LLC.....	3,323,520	5	0.48	-	-	-
Lowes Home Centers Inc.....	2,950,400	6	0.43	3,837,130	3	0.72
Mills Timberlake Apartments.....	2,896,360	7	0.42	2,740,090	6	0.52
Dayton Hudson Corporate.....	2,679,340	8	0.39	3,018,850	4	0.57
RJC Partnership LLC.....	2,625,600	9	0.38	-	-	-
Supervalu Holdings Inc.....	2,144,000	10	0.31	-	-	-
Kirkwood Crossing LLC.....	-	-	-	2,749,040	5	0.52
Ameren UE (Union Electric).....	-	-	-	2,456,068	7	0.46
SBC Communications (Southwestern Bell).....	-	-	-	2,258,735	9	0.43
Greenbriar Apartments.....	-	-	-	1,816,420	10	0.34
<b>Total.....</b>	<b>\$ 35,369,470</b>		<b>5.13 %</b>	<b>\$ 31,177,213</b>		<b>5.88 %</b>

Source: Office of the St. Louis County Assessor

CITY OF KIRKWOOD, MISSOURI

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 2,844,173	\$ 2,734,985	96.16 %	\$ 81,401	\$ 2,816,386	99.02 %
2004	2,956,368	2,800,771	94.74	130,437	2,931,208	99.15
2005	2,943,062	2,786,164	94.67	123,238	2,909,402	98.86
2006	2,907,110	2,740,589	94.27	113,415	2,854,004	98.17
2007	2,909,397	2,759,671	94.85	130,644	2,890,315	99.34
2008	4,816,711	4,351,879	90.35	392,553	4,744,432	98.50
2009	4,950,386	4,439,169	89.67	485,554	4,924,723	99.48
2010	4,433,098	3,949,385	89.09	419,195	4,368,580	98.54
2011	4,405,908	3,973,019	90.17	329,618	4,302,637	97.66
2012	4,229,527	3,800,812	89.86	-	3,800,812	89.86

Source: Office of the St. Louis County Assessor

CITY OF KIRKWOOD, MISSOURI

ELECTRICITY SOLD BY TYPE OF CUSTOMER (IN MEGAWATT HOURS)  
LAST TEN FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Type of Customer:</b>										
Residential	100,771	92,118	93,947	103,135	101,909	105,280	97,988	96,092	114,458	101,132
Commercial by type										
Electric Primary	26,132	25,009	24,676	25,737	24,512	23,395	22,800	10,880	9,647	8,526
Small Commercial	36,090	33,754	35,081	37,310	37,684	44,684	43,365	42,292	45,693	40,244
Large User	<u>59,350</u>	<u>56,576</u>	<u>57,185</u>	<u>58,976</u>	<u>58,202</u>	<u>61,097</u>	<u>58,713</u>	<u>55,501</u>	<u>64,492</u>	<u>62,225</u>
Total	<u><u>222,343</u></u>	<u><u>207,457</u></u>	<u><u>210,889</u></u>	<u><u>225,158</u></u>	<u><u>222,307</u></u>	<u><u>234,456</u></u>	<u><u>222,866</u></u>	<u><u>204,765</u></u>	<u><u>234,290</u></u>	<u><u>212,127</u></u>
Total direct rate per megawatt hour.....	\$ 63.37	\$ 62.39	\$ 60.79	\$ 60.45	\$ 60.46	\$ 61.25	\$ 61.87	\$ 67.25	\$ 82.24	\$ 94.75

Source: City of Kirkwood Finance Department

CITY OF KIRKWOOD, MISSOURI

WATER SOLD BY TYPE OF CUSTOMER (IN HUNDRED CUBIC FEET)  
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Type of Customer:</b>										
Residential.....	1,069,494	978,133	953,555	1,067,935	1,032,301	1,110,604	904,757	884,399	953,661	965,730
Commercial.....	549,976	520,437	502,332	537,645	518,626	518,681	459,273	392,984	418,779	434,473
Total.....	<u>1,619,470</u>	<u>1,498,570</u>	<u>1,455,887</u>	<u>1,605,580</u>	<u>1,550,927</u>	<u>1,629,285</u>	<u>1,364,030</u>	<u>1,277,383</u>	<u>1,372,440</u>	<u>1,400,203</u>
Total direct rate per hundred cubic feet.....	\$ 2.01	\$ 2.06	\$ 2.07	\$ 2.13	\$ 2.35	\$ 2.36	\$ 2.74	\$ 3.17	\$ 3.12	\$ 3.38

Source: City of Kirkwood Finance Department

CITY OF KIRKWOOD, MISSOURI

TAXABLE SALES BY INDUSTRY  
LAST TEN FISCAL YEARS  
(in thousands of dollars)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Apparel Stores	\$ 228	\$ 726	\$ 549	\$ 1,237	\$ 1,168	\$ 1,778	\$ 3,954	\$ 2,679	\$ 3,495	\$ 5,887
General Merchandise Stores	4,198	5,303	3,198	6,538	14,930	10,430	50,224	55,077	83,736	95,347
Food Stores	31,046	34,783	32,641	31,712	31,792	33,300	37,092	37,251	38,036	38,195
Eating and Drinking Establishments	27,387	27,854	31,937	33,048	35,267	37,571	46,377	48,539	47,728	48,987
Miscellaneous Retail Stores	42,672	45,096	44,706	41,598	42,840	41,156	37,674	43,359	45,756	48,150
Home Furnishings and Appliances	12,386	10,692	11,319	11,455	12,854	28,510	42,796	13,199	17,186	17,495
Building Material	5,664	6,749	8,185	7,371	7,649	9,303	21,036	44,924	45,171	50,833
Automotive Dealers and Gasoline Service	15,247	15,767	14,792	15,034	16,024	15,062	15,424	15,015	15,323	15,223
Automotive Repair Service and Garages	3,341	3,245	3,494	4,296	5,762	6,163	5,628	5,961	5,733	5,556
Construction-Special Trade Contractors	973	1,542	1,924	2,739	3,162	3,181	2,697	2,335	2,328	3,161
Printing, Publishing	1,075	770	1,038	1,226	1,143	879	743	584	483	430
Medical Instruments and Supplies	678	468	522	643	1,024	1,184	1,140	854	726	937
Miscellaneous Manufacturing Industry	129	184	105	295	287	125	176	364	318	484
Communication	17,890	19,938	18,915	18,122	19,138	19,679	19,641	21,493	20,660	17,520
Wholesale Trade-Durable Goods	2,297	2,491	2,433	3,168	3,260	3,374	2,227	2,184	2,061	2,428
Wholesale Trade-Nondurable Goods	28,953	27,658	10,379	15,696	9,058	8,173	18,370	21,690	21,843	21,131
Holding and Other Investment Office	-	-	-	-	-	-	-	1,015	-	-
Personal Services	1,965	2,546	1,683	1,853	3,347	3,318	3,615	3,079	3,162	2,754
Business Services	2,712	2,496	3,295	2,842	3,276	3,694	3,065	2,205	2,241	2,127
Health Services	477	598	562	549	691	672	837	704	959	901
Miscellaneous Services	14,278	14,585	15,858	13,639	9,965	11,900	8,970	2,807	2,490	2,575
All other industries	56,593	57,664	88,257	80,783	83,116	76,794	61,541	51,382	52,174	55,967
<b>Total</b>	<b>\$ 270,189</b>	<b>\$281,155</b>	<b>\$ 295,792</b>	<b>\$ 293,844</b>	<b>\$ 305,753</b>	<b>\$ 316,246</b>	<b>\$ 383,227</b>	<b>\$ 376,700</b>	<b>\$ 411,609</b>	<b>\$ 436,088</b>
City Direct Sales Tax Rate	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%

**Source:** St. Louis County Department of Revenue and Missouri Department of Revenue

**NOTE:** Industry categories that contain six (6) or less entities are not reported separately due to confidentiality purposes. Total taxable sales for these industries are reported under "All other industries."

Kirkwood Commons TIF District's taxable sales have been excluded. The Kirkwood Commons TIF district sales tax revenue is shared with other taxing authorities within St. Louis County.

CITY OF KIRKWOOD, MISSOURI

DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>City of Kirkwood Direct Rates:</b>										
General Corporate Sales Tax.....	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Local Option Use Tax.....	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Capital Improvement Sales Tax.....	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Park and Stormwater Sales Tax.....	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Subtotal Direct Rate.....	<u>2.25</u>									
<b>Overlapping Rates:</b>										
State.....	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
St. Louis County Transportation.....	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Mass Transit Tax/Metrolink.....	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.750	0.750
St. Louis County Regional Parks & Trails.....	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Children's Service Fund.....	-	-	-	-	-	-	-	0.250	0.250	0.250
Emergency Communitions.....	-	-	-	-	-	-	-	-	0.100	0.100
Subtotal Overlapping Rate.....	<u>5.075</u>	<u>5.325</u>	<u>5.925</u>	<u>5.925</u>						
Total Sales Tax Rate.....	<u><u>7.325</u></u>	<u><u>7.575</u></u>	<u><u>8.175</u></u>	<u><u>8.175</u></u>						

Source: St. Louis County Department of Revenue and Missouri Department of Revenue

NOTE: Kirkwood has a new development that council approved a 1% transportation development district tax. The development is a one block area in downtown Kirkwood.

CITY OF KIRKWOOD, MISSOURI

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Leasehold Revenue Bonds	Tax Increment Revenue Bonds and Notes	General Obligation Bonds	Certificates of Participation				
2003	\$ 12,260,000	\$ 10,175,000	\$ 23,453,778	\$ 155,000	-	\$ 46,043,778	5.26%	\$ 1,685	
2004	10,745,000	10,245,000	19,497,864	75,000	-	40,562,864	4.64%	1,485	
2005	9,125,000	9,730,000	18,138,484	25,000	-	37,018,484	4.23%	1,355	
2006	8,435,000	9,130,000	14,485,308	-	4,085,000	36,135,308	4.13%	1,322	
2007	7,685,000	8,520,000	10,669,142	-	3,980,000	30,854,142	3.53%	1,129	
2008	6,895,000	7,905,000	4,687,204	-	3,870,000	23,357,204	2.67%	855	
2009	6,025,000	7,275,000	4,197,204	-	3,760,000	21,257,204	2.43%	778	
2010	5,140,000	6,635,000	3,668,000	-	10,095,000	25,538,000	2.92%	935	
2011	4,140,000	5,980,000	3,168,000	-	9,745,000	23,033,000	2.63%	843	
2012	3,730,000	5,310,000	2,608,000	-	9,390,000	21,038,000	1.66%	764	

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

<sup>a</sup> Percentage of personal income for Fiscal Years 2003-2011 is based on the U.S. Census Bureau's 2000 Census. See page 121 for personal income and population data.

CITY OF KIRKWOOD, MISSOURI

RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN  
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)  
LAST TEN FISCAL YEARS

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General bonded debt outstanding										
General obligation bonds.....	\$ 12,415	\$ 10,820	\$ 9,125	\$ 8,435	\$ 7,685	\$ 6,895	\$ 6,025	\$ 5,140	\$ 4,140	\$ 3,730
Percentage of estimated actual property value <sup>a</sup> .....	0.54%	0.44%	0.37%	0.29%	0.26%	0.19%	0.17%	0.15%	0.12%	0.11%
Per Capita <sup>b</sup> .....	454.91	396.47	334.36	309.08	281.59	252.65	220.77	188.34	150.33	135.44
Less: Amounts related to street improvements.....	(1,945)	(995)	-	-	-	-	-	-	-	-
Less: Amounts set aside to repay general debt <sup>c</sup> .....	<u>(895)</u>	<u>(854)</u>	<u>(2,108)</u>	<u>(2,216)</u>	<u>(2,329)</u>	<u>(2,267)</u>	<u>(2,028)</u>	<u>(1,267)</u>	<u>(711)</u>	<u>(717)</u>
Total net debt applicable to.....	9,575	8,971	7,017	6,219	5,356	4,628	3,997	3,873	3,430	3,013
Legal debt limit <sup>d</sup> .....	<u>50,250</u>	<u>52,936</u>	<u>53,092</u>	<u>62,073</u>	<u>63,506</u>	<u>75,870</u>	<u>76,322</u>	<u>71,690</u>	<u>71,251</u>	<u>68,931</u>
Legal debt margin <sup>e</sup> .....	<u>\$ 40,675</u>	<u>\$ 43,965</u>	<u>\$ 46,075</u>	<u>\$ 55,854</u>	<u>\$ 58,150</u>	<u>\$ 71,242</u>	<u>\$ 72,325</u>	<u>\$ 67,817</u>	<u>\$ 67,821</u>	<u>\$ 65,918</u>
Legal debt margin as a percentage of the debt limit.....	80.95%	83.05%	86.78%	89.98%	91.57%	93.90%	94.76%	94.60%	95.19%	95.63%

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

<sup>a</sup>Property value data can be found on page 109: Assessed Value and Actual Value of Taxable Property.

<sup>b</sup>Population data can be found on page 121: Demographic and Economic Statistics.

<sup>c</sup>Amount available in debt service fund.

<sup>d</sup>Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation.

<sup>e</sup>The legal debt margin is the City's available borrowing authority under the statutes of the State of Missouri and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.

CITY OF KIRKWOOD, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF MARCH 31, 2012

Governmental Unit	Debt Outstanding <sup>a</sup>	Estimated Percentage Applicable <sup>b</sup>	Estimated Share of Overlapping Debt <sup>c</sup>
St. Louis County.....	\$ 13,425,000	3.11%	\$ 417,518
Kirkwood School District.....	40,820,000	56.32%	<u>22,989,824</u>
Subtotal, Overlapping Debt.....			23,407,342
City of Kirkwood, Direct Debt			
General obligation bonds.....			3,730,000
Leasehold Revenue bonds.....			5,310,000
Tax Increment Revenue bonds and notes.....			<u>2,608,000</u>
Subtotal, Direct Debt.....			<u>11,648,000</u>
Total Direct and Overlapping Debt.....			<u>\$ 35,055,342</u>

**Source:** Bond amounts were provided by the respective taxing districts or publicly available documents. Assessments were provided by the Office of the St. Louis County Collector.

<sup>a</sup> Excludes overlapping taxing districts with assessed valuations applicable to the City that are less than 1%.

<sup>b</sup> Estimated based on 2011 real and personal property.

<sup>c</sup> Excludes lease obligations of overlapping taxing districts and taxing districts whose assessed valuation represents less than 1% of the City's total assessment.

CITY OF KIRKWOOD, MISSOURI

PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Tax Increment Financing Bonds and Notes						
	Revenue Sources				Debt Service		Coverage
	Property Tax	Sales Tax	Business License Revenue	Total Available Revenue	Principal	Interest	
2003	\$ 1,069,353	\$ 2,515,692	\$ 174,603	\$ 3,759,648	\$ 2,724,000	\$ 1,741,392	0.84
2004	1,196,921	2,569,026	127,688	3,893,635	2,495,000	1,539,171	0.97
2005	1,360,770	2,890,779	261,706	4,513,255	1,435,000	1,083,696	1.79
2006	1,665,841	2,806,755	198,685	4,671,281	3,675,000	682,267	1.07
2007	1,557,119	2,642,021	187,493	4,386,633	3,834,000	666,247	0.97
2008	1,395,068	1,358,561	186,271	2,939,900	5,985,000	496,623	0.45
2009	404,165	418,445	183,805	1,006,415	490,000	386,690	1.15
2010	326,916	314,685	183,826	825,427	529,204	350,394	0.94
2011	350,119	344,600	177,368	872,087	500,000	290,605	1.10
2012	39,764	325,303	171,067	536,134	560,000	250,268	0.66

**Note:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF KIRKWOOD, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS

Year	Population	Personal Income (thousand of dollars)	Per Capita Personal Income	Median Age <sup>a</sup>	Education Level		School Enrollment	Unemployment Rate
					High School Graduate (%)	Bachelor's Degree or Higher (%)		
2002	27,324	\$ 874,696	\$ 32,012	41.0	42.7%	51.5%	5,101	3.2%
2003	27,324						5,109	3.5%
2004	27,324						5,027	3.6%
2005	27,324						4,995	3.5%
2006	27,324						4,995	3.0%
2007	27,324						4,975	3.9%
2008	27,324						5,026	5.9%
2009	27,324						5,000	7.5%
2010	27,540						5,083	8.7%
2011	27,540	\$ 1,268,410	\$ 46,057		96.0%	59.4%	5,132	5.1%

**Source:** U.S. Census Bureau of Labor Statistics 2010 census and Kirkwood School District

<sup>a</sup>Median age was not available.

CITY OF KIRKWOOD, MISSOURI

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	Product or Service	2012		2003	
		Employees	Rank	Employees	Rank
Kirkwood School District R-7.....	Education	629	1	643	2
Junior College District of St. Louis, St. Louis County Missouri.....	Education	432	2	509	4
The Lutheran Church-Missouri Synod.....	Church Headquarters	349	3	554	3
City of Kirkwood.....	City Government	307	4	267	7
Shop 'n Save Supermarket.....	Retail Grocer	232	5	275	6
Wal-Mart.....	Retail	158	6	400	5
Schnuck Markets, Inc.....	Retail Grocer	130	7	-	-
Lowe's.....	Retail	74	8	200	8
St. Agnes Home.....	Long-Term Care	75	9	85	10
AT&T (Formerly SBC Communications).....	Telephone	65	10	85	10
St. Joseph Hospital.....	Health Care	-	-	961	1
Target.....	Retail	*	-	190	9
Total.....		<u>1,822</u>		<u>3,526</u>	

**Source:** Office of the Chief Administrative Officer

**Note:** Percentage of total city employment column has been omitted for both 2012 and 2003 because accurate information is unavailable.

\* Target has historically ranked around the 5th to 7th major employer but has made it a policy decision not to disclose this information.

CITY OF KIRKWOOD, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT 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</b>
General government:										
City clerk.....	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Administration.....	4.0	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
MIS <sup>a</sup> .....	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Personnel.....	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Community development.....	2.0	2.0	2.0	-	-	-	-	-	-	-
Finance <sup>b</sup> .....	9.0	9.0	8.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Municipal court.....	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5
Special Business District.....	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.3
Purchasing.....	4.0	4.0	4.0	3.5	3.8	3.0	3.8	4.3	4.3	4.5
Engineering <sup>c</sup> .....	5.0	5.0	5.0	4.0	4.0	3.0	5.0	5.0	5.0	5.0
Building maintenance.....	3.5	3.5	3.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Building commissioner.....	9.6	9.6	9.6	9.6	9.6	8.3	8.0	8.0	7.0	7.2
Police.....										
Commissioned Officers.....	57.0	56.0	55.0	53.0	53.0	52.0	56.0	58.0	59.0	60.0
Civilians.....	13.3	12.1	12.6	8.0	13.5	13.5	14.0	11.8	13.3	13.0
Fire:										
Officers, firefighters, and EMS.....	42.0	45.0	43.0	41.0	41.0	46.0	45.0	46.0	46.0	46.0
Civilians.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Streets.....	23.0	21.0	19.0	17.0	11.0	13.0	14.0	13.0	13.0	12.0
Parks.....	12.3	12.3	12.3	12.0	12.5	11.5	10.8	12.7	12.3	12.3
Recreation.....	17.2	18.8	19.3	18.0	25.3	18.7	18.8	17.5	18.8	17.0
Electric.....	20.5	20.5	19.5	18.5	20.5	22.0	21.0	21.0	21.0	21.0
Water.....	20.5	19.5	19.5	18.5	12.5	13.0	15.0	16.0	18.0	17.0
Sanitation <sup>d</sup> .....	19.5	20.3	18.8	16.8	20.0	18.6	19.0	20.6	17.8	16.0
Workers compensation.....	1.0	1.0	1.0	1.0	-	1.0	1.0	1.0	1.0	1.0
Fleet services.....	7.8	9.8	6.8	6.8	6.8	6.8	6.8	7.3	7.3	7.0
<b>Total.....</b>	<b>285.2</b>	<b>287.8</b>	<b>277.3</b>	<b>256.1</b>	<b>261.9</b>	<b>258.8</b>	<b>267.5</b>	<b>271.6</b>	<b>273.2</b>	<b>268.6</b>

**Source:** City of Kirkwood Finance Department

<sup>a</sup>Effective FY2000 GIS technician position included in MIS is funded by the Water Fund.

<sup>b</sup>Office manager, (2) utility billing clerks, and customer service representative included in Finance are funded equally by the Electric, Water, and Sanitation Funds.

<sup>c</sup>Director of Public Works included in Engineering is funded 40% by Sanitation.

<sup>d</sup>Customer service assistant included in Sanitation is funded 33-1/3% by Fleet Services until Fiscal Year 2012.

CITY OF KIRKWOOD, 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>General government:</b>										
Business/Liquor Licenses Issued.....	966	977	1,076	1,084	1,082	1,050	1,067	1,054	1,096	1,056
AP Checks Issued.....	7,486	7,376	6,877	5,403	5,278	5,453	5,455	4,875	4,754	4,838
Electronic Vendor Payments Processed.....	-	-	-	-	-	-	-	419	600	571
Payroll Checks Issued.....	3,439	2,898	2,340	170	140	165	147	128	122	125
<b>Purchasing:</b>										
Purchase Orders Issued.....	488	515	629	546	579	673	828	865	884	989
Invoices Processed.....	3,408	2,004	2,635	2,255	1,699	1,465	1,928	1,973	2,325	2,297
Formal Bids.....	74	74	71	45	54	78	54	93	100	187
<b>Engineering:</b>										
Concrete Street Replacement (Square Yds).....	8,418	8,290	3,350	6,580	6,800	7,171	7,293	13,226	13,570	16,499
Asphaltic Concrete Overlays (Tons) <sup>a</sup> .....	*	*	5,390	3,235	5,480	10,770	6,247	9,464	124,227	8,667
Planning & Zoning Applications including										
Performance Guarantee Administration.....	22	31	26	41	37	26	25	22	20	31
Excavation Deposits.....	131	138	178	268	302	253	84	141	148	162
Sewer Lateral Insurance Applications.....	168	122	138	123	141	144	144	94	140	120
Single Family Site Plan Reviews.....	6	47	66	75	69	58	30	25	19	28
<b>Building Maintenance:</b>										
Work Orders Completed.....	296	345	276	266	276	370	499	525	812	491
<b>Building Commissioner:</b>										
Cost Recovery Rate.....	88%	146%	131%	162%	134%	156%	109%	92%	143% <sup>h</sup>	130%
<b>Permits Issued:</b>										
Building.....	2,224	2,540	2,998	2,933	2,665	2,600	2,162	1,952	1,943	1,994
Occupancy.....	1,282	1,444	1,343	1,396	1,303	1,517	1,331	1,461	1,517	1,544
<b>Inspections Performed:</b>										
Construction.....	5,658	6,049	7,531	7,804	6,383	7,229	5,862	5,079	4,755	5,267
Re-Occupancy.....	3,081	2,926	3,033	3,024	2,776	2,809	2,429	2,856	3,026	3,049
Board of Adjustment Cases.....	33	28	43	60	39	60	24	14	19	25
Architectural Review Cases.....	50	94	72	76	57	66	68	43	57	49
<b>Police:</b>										
Number of Calls.....	18,119	18,186	19,396	21,424	21,877	21,495	20,712	18,442	18,451	20,893
Number of Code Violation Complaints.....	1,654	1,662	1,684	1,701	1,946	1,948 <sup>g</sup>	1,011 <sup>g</sup>	2,578 <sup>g</sup>	2,999 <sup>g</sup>	1,694 <sup>g</sup>

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CITY OF KIRKWOOD, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)  
LAST TEN FISCAL YEARS

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Fire:										
Number of Calls.....										
Fire.....	1,064	1,042	1,051	1,038	1,454	1,282	1,305	1,170	1,234	1,317
EMS.....	1,937	2,109	1,980	1,818	2,036	2,185	2,236	2,207	2,180	2,703
Percentage of "At Risk" Property Saved.....	97.73%	95.58%	98.26%	97.52%	97.91%	96.34%	97.55%	95.71%	93.24%	97.74%
Streets:										
Maintenance - Asphaltic Concrete (Tons).....	2,411	1,393	1,321	1,314	768	541	426	866	15,462	440
Maintenance - Crack Seal FY2001 to FY2003 (Gallons) <sup>p</sup> .....	1,870	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Maintenance - Crack Seal after FY2003 (Pounds) <sup>p</sup> .....	N/A	10,656	15,984	15,145	10,656	-	1,332	4,107	2,143	4,847
Ground/Forestry Maintenance (Hours).....	2,237	1,775	1,377	3,343	5,499	2,336	3,269	3,053	4,137	2,780
Snow Removal:										
Salt Used (Tons).....	5,223	3,219	649	791	2,375	3,598	1,548	1,920	3,413	919
Labor (Hours).....	3,482	1,218	278	528	1,437	2,122	1,490	1,163	1,809	469
Parks:										
Park Maintenance Cost per Acre.....	\$ 2,597	\$ 2,738	\$ 2,946	\$ 2,734	\$ 2,916	\$ 3,072	\$ 3,493	\$ 3,617	\$ 3,719	\$ 4,013
Recreation:										
Aquatic Facility Attendance.....	84,131	75,151	61,581	76,947	73,934	75,283	71,812	62,995	74,014	67,519
Ice Rink Facility Attendance.....	26,432	26,818	25,081	28,422	26,732	24,982	26,073	28,383	27,623	33,734
Cost Recovery Rate.....	89%	89%	85%	91%	90%	87%	86%	90%	85%	84%
Electric:										
Number of Customer Accounts:										
Residential.....	8,674	8,648	8,759	8,960	8,956	8,825	8,832	8,948	8,804	8,763
Commercial.....	1,063	1,069	1,079	1,088	1,095	1,354	1,317	1,405	1,349	1,259
Personnel Cost/Customer Accounts.....	\$ 133	\$ 141	\$ 147	\$ 146	\$ 158	\$ 176	\$ 167	\$ 174	\$ 185	\$ 188
Distribution Cost Per Circuit Line Mile <sup>c</sup> .....	*	*	\$ 4,814	\$ 5,868	\$ 12,737 <sup>f</sup>	\$ 13,097	\$ 13,555	\$ 11,490	\$ 11,552	\$ 18,088
Water:										
Number of Customer Accounts:										
Residential.....	9,450	9,509	9,448	9,392	9,513	9,497	9,468	9,633	9,465	9,252
Commercial.....	804	816	811	816	825	830	828	836	831	801
Personnel Cost/Customer Accounts.....	\$ 118	\$ 116	\$ 123	\$ 125	\$ 127	\$ 98	\$ 120	\$ 124	\$ 137	\$ 144

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CITY OF KIRKWOOD, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)  
LAST TEN FISCAL YEARS

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Sanitation:</b>										
Number of Customer Accounts										
Residential.....	9,437	9,406	9,436	9,344	9,259	9,297	9,247	9,275	9,338	9,324
Commercial.....	145	162	164	156	152	151	145	144	150	144
Personnel Cost/Customer Accounts <sup>d</sup> .....	\$ 83	\$ 89	\$ 92	\$ 119	\$ 103	\$ 114	\$ 124	\$ 122	\$ 121	\$ 117
<b>Material Collected:</b>										
Recycling Material Collected (Tons).....	3,688	3,641	3,730	3,534	3,765	3,850	3,096	2,733	2,929	4,163
Waste Disposal (Tons).....	11,174	11,389	11,225	10,744	10,622	10,082	9,228	8,923	8,378	6,974
Landfill Diversion Rate (% Recycled/Total).....	25%	24%	25%	25%	26%	28%	25%	23%	26%	37%
Yard Waste (Cubic Yards).....	6,960	7,756	7,261	7,135	9,054 <sup>f</sup>	6,155	7,724	6,955	7,034	7,814
<b>Workers Compensation<sup>e</sup>:</b>										
Number of Claims.....	48	58	68	41	47	92	52	31	21	15
Average Cost per Claim.....	\$ 13,952	\$ 15,335	\$ 9,801	\$ 32,376	\$ 23,420	\$ 14,415	\$ 15,936	\$ 24,580	\$ 12,459	\$ 5,511
<b>Fleet Services:</b>										
Average Age of Vehicles.....	6.3	4.6	5.4	6.5	7.0	6.9	9.7	8.4	6.2	6.2
Maintenance Cost per Vehicle.....	\$ 5,603	\$ 5,864	\$ 5,578	\$ 5,925	\$ 5,363	\$ 6,139	\$ 6,339	\$ 5,827	\$ 6,115	\$ 6,139

**Source:** Various city departments

\* Data not available.

<sup>a</sup>Fiscal Year 2005 is the first fiscal year for asphaltic concrete overlays.

<sup>b</sup>Data for Fiscal Year 2003 is recorded in gallons. Beginning in Fiscal Year 2004 data is recorded in pounds.

<sup>c</sup>Fiscal Year 2005 is the first year the city is using distribution costs per circuit line mile.

<sup>d</sup>Beginning Fiscal Year 2004, Sanitation funded 1/3 of the salaries for office manager, (2) utility billing clerks, and customer service representative.

<sup>e</sup>Self insurance started Fiscal Year 2002.

<sup>f</sup>Three major storms during FY2007 contributed to increase in Electric distribution cost per mile and Sanitation yard waste.

<sup>g</sup>Beginning Fiscal Year 2008, code enforcement was transferred from the Building Commissioner's Department to the Police Department.

<sup>h</sup>Includes permit for Aberdeen of \$282,456

CITY OF KIRKWOOD, 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>
General Government:										
Vehicles.....	2	2	2	2	2	2	2	2	2	2
Purchasing:										
Vehicles.....	1	1	1	1	1	1	1	2	2	1
Engineering:										
Vehicles.....	5	3	3	3	3	3	3	4	3	3
Building Maintenance:										
Vehicles.....	2	2	2	2	2	2	4	3	2	2
Building commissioner:										
Vehicles.....	4	5	5	5	5	4	4	4	4	4
Police:										
Stations.....	1	1	1	1	1	1	1	1	1	1
Vehicles.....	32	27	31	27	27	23	25	29	27	28
Fire:										
Stations.....	3	3	3	3	3	3	3	3	3	3
Vehicles.....										
Pumpers.....	4	3	3	3	3	4	4	4	4	3
Aerial Ladder.....	2	2	2	2	2	1	1	1	1	1
Ambulance.....	2	2	2	2	2	2	2	4	4	4
Hazmat/Rescue/Utility.....	2	2	2	2	2	2	2	2	2	2
Command Vehicles.....	4	4	4	4	4	4	4	4	4	4
Streets:										
Miles of Streets.....	109	109	109	109	109	109	109	109	109	221
Miles of Sidewalks.....	111	111	111	111	111	111	111	111	111	111
Vehicles.....	21	25	25	21	21	21	19	22	21	21
Parks and Recreation:										
Acres of Parks.....	305	305	305	305	305	309	325	325	326	330
Community Center.....	1	1	1	1	1	1	1	1	1	1
Outdoor Amphitheater.....	1	1	1	1	1	1	1	1	1	1
Aquatic Facility.....	1	1	1	1	1	1	1	1	1	1
Enclosed Ice Rink.....	1	1	1	1	1	1	1	1	1	1
Ball Diamonds.....	8	8	8	8	8	8	8	8	8	8
Tennis Courts.....	10	10	10	10	10	10	10	10	10	10
Handball Courts.....	2	2	2	2	2	2	2	2	2	2
Vehicles.....	12	12	12	12	12	12	12	16	14	14

CITY OF KIRKWOOD, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (CONTINUED)  
LAST TEN FISCAL YEARS

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Electric:										
Substations.....	6	6	6	6	6	6	6	6	6	6
Miles of Line.....	127	132	132	132	132	132	132	132	132	132
Street Lights.....	2,316	2,316	2,316	2,316	2,316	2,316	2,316	2,316	2,316	2,316
Traffic Lights.....	121	121	121	121	121	121	121	121	121	121
Vehicles.....	10	13	13	13	13	12	12	12	14	14
Water:										
Water Treatment Plant <sup>a</sup> .....	1	1	1	1	-	-	-	-	-	-
Pumping Stations.....	3	3	3	3	6	6	6	6	6	6
Inter Connect Valves.....	-	-	-	-	2	2	2	2	2	2
Miles of Water Line.....	135	135	135	135	135	135	135	135	135	135
Vehicles.....	11	11	16	16	16	14	14	17	15	15
Sanitation:										
Collection Trucks.....	8	8	8	8	8	8	8	8	8	8
Other Vehicles.....	4	4	4	4	4	4	4	6	4	5
Recycling Equipment.....	4	4	4	4	4	4	4	4	4	2
Worker Compensation:										
Vehicles.....	1	1	1	-	-	-	-	-	-	-
Fleet Services:										
Vehicles.....	4	4	4	4	4	4	4	2	5	4

Source: Various city departments

<sup>a</sup>Water department ceased treating water during FY2007 and the treatment plant was dismantled.