

Comprehensive Annual Financial Report



*for the fiscal year ended
June 30, 2012*

City of University City, Missouri

	Page
Section I - Introductory Section	
Letter of Transmittal	i
List of Principal Officials	v
Organization Chart	vi
Certificate of Achievement	vii
Section II - Financial Section	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	19
Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Assets - Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Assets - Pension Trust Funds	25
Statement of Changes in Fiduciary Net Assets - Pension Trust Funds	26
Notes to Basic Financial Statements	27
Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget Basis:	
General Fund	58
Library Fund	63
Olive Central TIF District Fund	64
Grants Fund	65
Notes to Budgetary Comparison Information	66
Schedules of Funding Progress and Contributions - Employee Retirement Benefits Plans:	
Non-Uniformed Employees	67
Police and Firefighter Employees	68
Schedule of Funding Progress and Contributions - Other Post-Employment Benefit Plan	69

Other Supplementary Information:

Combining Balance Sheet - Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	71
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget Basis:	
CALOP Special Revenue Fund	72
LOOP SBD Special Revenue Fund	73
Parkview Gardens SBD Special Revenue Fund	74
Sewer Lateral Special Revenue Fund	75
Economic Development Special Revenue Fund	76
Debt Service Fund	77

Section III - Statistical Section

Net Assets by Component - Last Ten Fiscal Years	78
Changes in Net Assets - Last Ten Fiscal Years	79
General Government Tax Revenues by Source - Last Ten Fiscal Years	81
Fund Balances of Governmental Funds - Last Ten Fiscal Years	82
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	83
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	84
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	85
Principal Property Taxpayers - Current Year and Nine Years Ago	90
Property Tax Levies and Collections - Last Ten Fiscal Years	91
Sales Tax Rates, Direct and Overlapping - Last Ten Fiscal Years	92
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	93
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	94
Direct and Overlapping Governmental Activities Debt	95
Legal Debt Margin Information - Last Ten Fiscal Years	96
Demographic and Economic Statistics - Last Ten Fiscal Years	97
Principal Employers - Current and Nine Years Ago	98
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years	99
Operating Indicators by Function - Last Ten Fiscal Years	100
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	102

SECTION I - INTRODUCTORY SECTION



6801 Delmar Boulevard, University City, Missouri 63130, Phone (314) 862-6767

January 3, 2013

To the Citizens of the City of University City:

Pursuant to City policy and in conformance with state law, the Comprehensive Annual Financial Report of the City of University City, Missouri (the City), for the fiscal year ended June 30, 2012, is herewith submitted for your review. The report was prepared in conformance with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by an independent firm of licensed certified public accountants.

This report is the City's management representations concerning the finances of the City and, therefore, management assumes full responsibility for the completeness and reliability of all information presented in this report. The City's Finance Department prepared this report and believes that the financial statements, supporting schedules, and statistical information fairly present the financial condition of the City. We further believe that all presented data is accurate in all aspects and that all necessary disclosures have been included to enable the reader to gain a reasonable understanding of the City's financial affairs. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformance with GAAP. This internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits require estimates and judgments by management.

The City's financial statements have been audited by Schowalter & Jabouri, P.C. a firm of licensed certified public accountants. The goal of this independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon its audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

PROFILE OF THE CITY

The City is a first-ring suburb on the western boundary of the City of St. Louis, Missouri. The City is located in St. Louis County. It ranks fourth and ninth with respect to total population and assessed valuation in St. Louis County. The City was founded by Edward Gardener Lewis and was incorporated in 1906.

The form of government established by the Charter is the Council-Manager plan. The City Council is the legislative and governing body of the City. It consists of six Council members and the Mayor, all of whom are elected by the residents of the City. Council members are elected from three wards to serve four-year staggered terms. The Mayor is elected at large and serves a four-year term. The City Council and Mayor appoint the City Manager and City Clerk, and enact legislation to protect the health, safety, and general welfare of the citizens of the City. The City Manager directly supervises all City government agencies and departments, except the Library, while also serving as chief advisor to the City Council.

The City is considered a residential community with a diverse racial and religious population. There are approximately 35,371 residents (U.S. Census Bureau 2010) and 18,021 housing units in the City. The population density is 5,995.1 in habitants per square mile. The area of the City is approximately 6 square miles.

The City provides a full range of municipal services for its citizens. These include public safety (police and fire), streets, sanitation, culture and recreation, public improvements, community development, and general administrative services. The City defines its financial reporting entity in accordance with the provisions of Governmental Accounting Standards Board Statement No. 14; *The Financial Reporting Entity* (GASB 14). GASB 14 requirements for inclusion of component units are primarily based on whether the City's governing body has any significant amount of financial accountability for Potential Component Units (PCU). The City has determined that its financial reporting entity consists of the City (the primary government) and two blended component units: the University City Loop Special Business District and the Parkview Gardens Special Business District. Two legally separate entities that are discretely presented component units are: the University City Industrial Development Authority and the Land Clearance for Redevelopment Authority. As a result, this report includes all activities for which the City Council is financially accountable.

The annual budget serves as a foundation for the City's financial planning and control. All of the departments of the City are required to submit requests for appropriation to the City Manager who uses these requests as a starting point for development of a proposed budget. The Finance Director presents to the City Manager estimates detailing the various revenues, grants, bond proceeds, and other funding sources that are anticipated. The City Manager presents a proposed budget to the City Council who holds work sessions and a public hearing prior to adopting a budget in June. The budget is prepared by fund, broken down further by department, programs, or projects within the department, then object of expenditures within programs and finally, line items within objects. Budget transfers up to \$25,000 within the same department and fund are approved by the City Manager. Transfers over this amount or between departments or funds are approved by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriate annual budget has been adopted. For the General Fund, this comparison is presented on page 58 as required supplemental information. For other governmental funds that have an adopted budget, comparison schedules are found in other supplemental information beginning on page 63.

In addition to City funds, the City has a fiduciary responsibility as trustee for assets of the City's two Pension Funds and other miscellaneous deposits.

INFORMATION USEFUL IN ASSESSING THE CITY'S ECONOMIC CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. The City is a regional St. Louis destination located adjacent to Washington University in St. Louis County, west of the St. Louis City boundaries. Most businesses are located in one of three business areas; the Delmar Loop Business District, Olive Boulevard, or Cunningham Industrial Park. The city is fully developed as a stable residential community with a large variety of housing types that contribute to growth in residential and commercial assessed values. The City's area of future growth continues to be redevelopment of business and residential areas and upgrading public infrastructure.

With its strong focus on redevelopment the City continues funding large projects to improve the streetscape and broaden the accessibility of the Delmar Loop Business District and Olive Boulevard. The city has assembled properties to create developable sites at two key intersections on Olive Boulevard. A development group in the area is also planning to construct a trolley line that will run through the city. Another entity is exploring the possibility of increasing local economic development by extending broadband fiber optics into the city as part of the trolley project.

Long-term Financial Planning. Each year the City updates its five-year capital improvement plan. Projects totaling over \$11.2 million are planned for the fiscal years 2013 through 2017. The City confines long-term borrowing to capital improvements or projects that cannot be financed from current revenues, and where the issuance of long-term debt is required, it pays back the bonds within a period not to exceed the expected useful life of the project. Projects for which bonds have been issued include expansion and renovation of the city's recreational facility, renovation of City Hall and renovation of Fire Station #2. A general obligation property tax levy repays a small issuance of debt related to City Hall renovations and the parking garage repays a portion of the debt. The remainder and majority of the debt are paid by on-going sales tax and other general revenues.

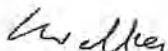
The City has plans for future projects which may involve future debt. The City received a federal stimulus grant to build a new fire station and will vacate the prior station located at the City Hall complex. In March 2012, the City has taken advantage of the lowest interest rate in decade to refund the Certificates of Participation, Series 2003 and Series 2004 which will result in significant savings in future years.

Awards and Acknowledgments. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in financial reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

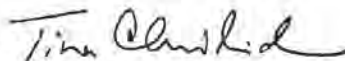
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificated of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the various departments who assisted and contributed to the preparation. We would also like to thank the City Council for their interest and support.

Respectively submitted,



Lehman Walker
City Manager



Tina Charumilind
Director of Finance

CITY OF UNIVERSITY CITY, MISSOURI

List of Principal Officials

As of June 30, 2012

MAYOR
Shelley Welsch

COUNCIL MEMBERS - WARD ONE
Stephen Kraft
Terry Crow

COUNCIL MEMBERS - WARD TWO
Paulette Carr
L. Michael Glickert

COUNCIL MEMBERS - WARD THREE
Arthur Sharpe Jr.
Byron Price

CITY MANAGER
Lehman Walker

City Clerk
Joyce Pumm

Police Chief
Charles Adams

Fire and Emergency Service Chief
Don Miner

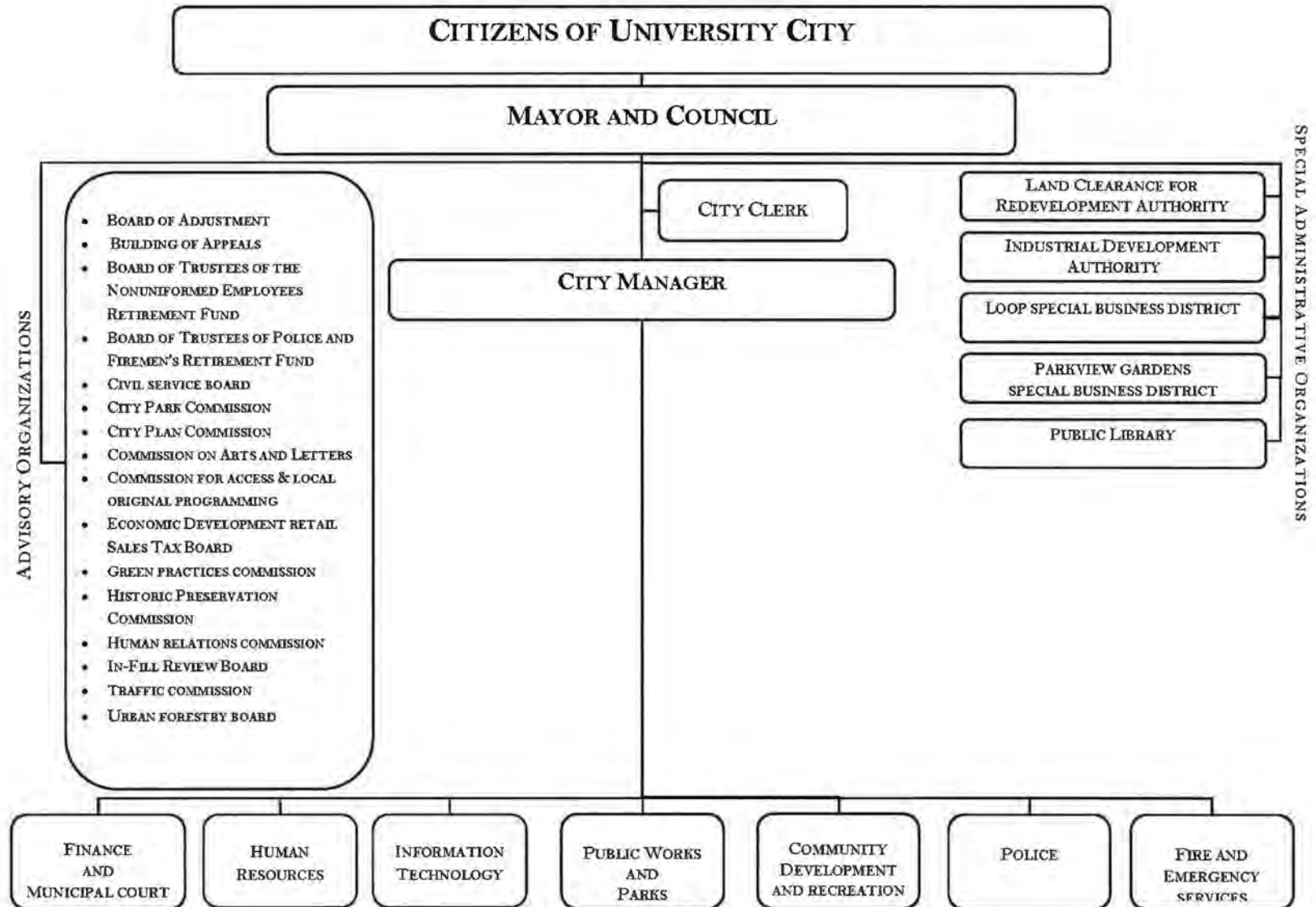
Director of Public Works and Parks
Rich Wilson

**Director of Community Development
and Recreation**
Andrea Riganti

Director of Finance
Tina Charumilind

Library Director
Patrick J. Wall

GOVERNMENT OF THE CITY OF UNIVERSITY CITY, MISSOURI



02/12

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of University City
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 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. Dandson

President

Jeffrey R. Enen

Executive Director

SECTION II - FINANCIAL SECTION



SCHOWALTER & JABOURI, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
11878 GRAVOIS ROAD
ST. LOUIS, MISSOURI 63127
(314) 849-4999
FAX (314) 849-3486

FINANCIAL SERVICES
COMPUTER SOLUTIONS
ADMINISTRATIVE OFFICES

11777 GRAVOIS ROAD
ST. LOUIS, MISSOURI 63127
(314) 842-2929
FAX (314) 842-3483

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of University City, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of University City, Missouri (the "City") as of and for the year ended June 30, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 3, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

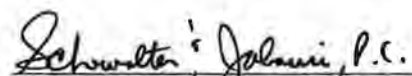
MEMBERS

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15 and budgetary comparison information on pages 58 through 66 and the pension related required supplemental information on pages 67 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the other budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


SCHOWALTER & JABOURI, P.C.

Management's Discussion and Analysis

CITY OF UNIVERSITY CITY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012

This section of the City of University City, Missouri's (the City) financial report presents an easily readable analysis of the City's financial activities based on currently known facts, decisions, and conditions. For a comprehensive understanding of the financial statements, please review the City's financial statements, including the footnotes that follow the Management's Discussion and Analysis (MD&A).

FINANCIAL HIGHLIGHTS (excluding Discretely Presented Component Units)

- On a government-wide basis, the City's total assets exceeded its liabilities at the close of fiscal year 2012 by \$71.8 million. Of this amount, \$28.5 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- As of June 30, 2012, governmental activities and business-type activities had net assets of \$68.5 million and \$3.3 million, respectively.
- The City's total net assets increased by \$5.9 million during fiscal year 2012. For governmental activities, revenues exceeded expenses by \$5.8 million. For the business-type activities, revenues exceeded expenses by \$0.1 million.
- General revenues for governmental activities were \$22.9 million which included \$9.1 million of sales and local use and \$6.5 million of gross receipts taxes. Property taxes accounted for \$6.2 million of general revenues. The remaining revenues of \$1.1 million were from license fees, miscellaneous taxes and investment income.
- Expenses from various functions of the City's governmental and business-type activities totaled \$32.3 million in fiscal year 2012, an increase of \$1.4 million from fiscal year 2011.
- The City's total long-term debt obligations decreased by \$1.5 million as compared to fiscal year 2011. This reduction was a combined result of the principal payments during FY 2012 of \$960,000 and refunding Certificates of Participation Series 2003 and 2004 to reduce the principal amount of \$325,000.
- As of June 30, 2012, the City's governmental funds reported combined ending fund balances of \$27.6 million, an increase of \$1.4 million from \$26.2 million reported in fiscal year 2011. Of this amount, \$17.4 million is unassigned fund balance and available for spending at the City's discretion.
- The unassigned fund balance for the General Fund was \$17.8 million or 70.1% of total General Fund expenditures. Included in this amount was \$2.9 million of fund balance transferred from the dissolving of Olive Central Tax Increment Financing District, and \$1.5 million transferred from Capital Project Fund.
- In March of 2012, the City issued refunding bonds (Certificate of Participation Series 2012). This transaction generated other financing sources of \$124,744 which was for the cost of issuance expenditures.
- Sales tax revenue decreased by \$0.2 million. Property taxes and gross receipt taxes decreased by \$0.1 and \$0.8 million, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplementary information and other supplementary information.

CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

Government-wide Financial Statements. The first set of financial statements are the government-wide statements which report information about the City as a whole using accounting methods similar to those used by private-sector companies. The two government-wide statements, **Statement of Net Assets and Statement of Activities**, report the City's net assets and how they have changed. In the government-wide statements, a distinction is made between governmental-type activities and business-type activities. Governmental-type activities are those normally associated with the operation of a government such as public safety, parks, and streets. Business-type activities are those activities of the government that are designed to be self-supporting such as the City's parking garage and solid waste services.

The **Statement of Net Assets** presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Increases and decreases in net assets may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating. The Statement of Net Assets also provides information on unrestricted and restricted net assets and net assets invested in capital assets, net of related debt.

The **Statement of Activities** presents information showing how the City's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of the timing of related cash flows.

The Statement of Activities presents the various functions of the City and the degree to which they are supported by charges for services, federal and state grants and contributions, tax revenues, and investment income.

The governmental activities of the City include general government, public safety (fire and police), highway and streets, culture and recreation, as well as interest and fiscal charges. The business-type activities of the City include a parking facility and solid waste.

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate redevelopment agencies. Financial information for these component units is reported separately from the financial information presented for the primary government.

Fund Financial Statements. The second set of statements is fund financial statements which provide information about groupings of related accounts which are used to maintain control over resources for specific activities or objectives. The City uses fund accounting to demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. The funds of the City can be divided into the following three categories: governmental funds, proprietary funds, and fiduciary funds.

1. **Governmental Funds** -- Governmental funds tell how general government services were financed in the short-term as well as what financial resources remain available for future spending to finance City programs.

The City maintains several individual governmental funds according to their type (General, Special Revenue, Debt Service, and Capital Projects Funds). Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Library Fund, Olive Central Tax Increment Financing District Fund and Grants Fund, which are considered to be major funds.

CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

Individual fund data for each of the non-major governmental funds is provided in the form of combining statements.

2. **Proprietary Funds** -- Proprietary funds offer short-term and long-term financial information about services for which the City charges customers, both external customers and internal departments of the City. The City maintains the following types of proprietary funds:
 - Enterprise Funds are used to report information similar to business-type activities in the government-wide financial statements. The City uses the Enterprise Funds to account for the operations of the parking garage and solid waste. As mentioned in the financial highlight regarding refunding bonds, a portion of bond repayment was also funded by revenue generated from parking garage. Fiscal Year 2012 was the second year that the Solid Waste Fund has been classified as an enterprise fund.
 - Internal Service Funds are used to report activities that provide supplies and services for certain City programs and activities. The City uses Internal Service Funds to account for its central garage activities.
3. **Fiduciary Funds** -- Fiduciary funds are used to account for resources held for the benefit of individuals or units outside of the City. The City is the trustee or fiduciary responsible for assets which can be used only for the trust beneficiaries per trust arrangements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. The City's Pension Trust Funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

Notes to Financial Statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to basic financial statements and notes to financial statements, this report presents required supplementary information concerning the City's budgetary comparisons for the General, Library, Olive Central Tax Increment Financing District and Grants. Pension related required supplementary information is also presented in this section.

Other Supplementary Information. The combining and individual fund statements provide fund level detail for all non-major governmental funds and Pension Trust funds and budgetary information for the non-major governmental funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS OF THE CITY

The City presents its financial statements pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Therefore, a comparative analysis of government-wide data will be included in this report.

CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

Analysis of Net Assets

The City's combined net assets are approximately \$71.8 million. Reviewing the net assets of governmental and business-type activities separately provides additional information.

The condensed Statement of Net Assets was as follows (dollars in thousands):

	Condensed Statement of Net Assets					
	June 30					
	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
ASSETS						
Current and other assets	\$ 36,617	\$ 35,576	\$ 1,585	\$ 1,958	\$ 38,202	\$ 37,534
Capital assets, net	43,065	39,607	2,771	2,444	45,836	42,051
Total assets	79,682	75,183	4,356	4,402	84,038	79,585
LIABILITIES						
Long-term debt out-standing	8,271	9,675	444	576	8,715	10,251
Other liabilities	2,898	2,755	634	693	3,532	3,448
Total liabilities	11,169	12,430	1,078	1,269	12,247	13,699
NET ASSETS						
Invested in capital assets, net of related debt	35,729	30,787	2,355	1,897	38,084	32,684
Restricted	5,196	8,890	50	125	5,246	9,015
Unrestricted	27,588	23,076	873	1,111	28,461	24,187
Total net assets	\$ 68,513	\$ 62,753	\$ 3,278	\$ 3,133	\$ 71,791	\$ 65,886

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$71.8 million at the close of the fiscal year 2012.

The largest portion of the City's net assets, \$38.1 million (53.0%), reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities. The increase in invested in capital assets, net of related debt for 2012 is due to growth in capital assets from grant funding, reduction in debt for normal annual debt payments.

Included in the City's total net assets is \$5.2 million which represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation. The remaining balance of total net assets, \$28.5 million, is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. The decrease in restricted net assets and increase in unrestricted net assets in 2012 is due to the close out of Olive Central Tax Increment Financing District which was transferred to General Fund. The revenue generated from resale of the assets becomes unrestricted.

CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

Changes in Net Assets

The City's total revenue on a government-wide basis was \$38.2 million, an increase of \$2.0 million or 5.4% as compared to fiscal year 2011. As mentioned in the financial highlights, a decrease of \$0.2 million or 2.0% in sales tax was received as compared to 2011. Gross receipts tax decreased by 0.8 million or 10.9%. Taxes represent 58.0% of the City's revenues. Another 20.0% comes from fees charged for services; the remainder is state and federal aid, interest earnings, gain on sale of capital assets, and miscellaneous revenues.

The total cost of all programs and services was \$32.3 million. This represents an increase of \$1.4 million from the prior year, primarily due to an increase of \$0.8 million in Public Safety. The City's expenses cover a range of typical city services. The program with the largest expenditures was public safety in the amount of \$11.8 million. General government had the second largest expense of \$7.9 million, follow by Culture and Recreation and Public Works and Parks in the amount of \$5.5 million and \$4.5 million, respectively.

The City's Statement of Changes in Net Assets is as follows (dollars in thousands):

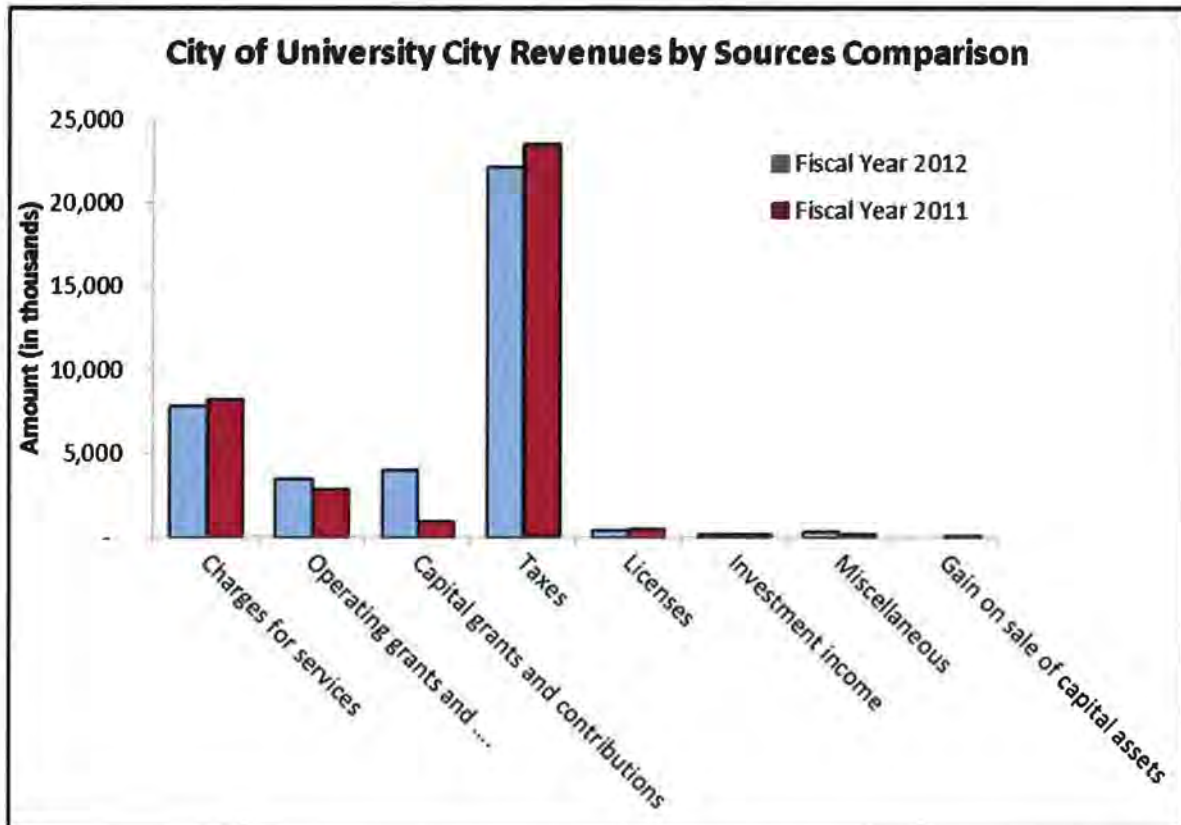
Condensed Statement of Changes in Net Assets						
For the Year Ended June 30						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 5,333	\$ 5,033	\$ 2,459	\$ 3,193	\$ 7,792	\$ 8,226
Operating grants and contributions	3,429	2,832	-	-	3,429	2,832
Capital grants and contributions	4,009	902	-	-	4,009	902
General revenues:						
Taxes	22,150	23,515	-	-	22,150	23,515
Licenses	381	486	-	-	381	486
Investment Income	133	127	-	2	133	129
Gain on sale of capital assets	-	30	-	-	-	30
Miscellaneous	329	126	-	-	329	126
Total revenues	<u>35,764</u>	<u>33,051</u>	<u>2,459</u>	<u>3,195</u>	<u>38,223</u>	<u>36,246</u>
Expenses						
General government	7,946	7,245	-	-	7,946	7,245
Public safety	11,753	10,902	-	-	11,753	10,902
Highways and streets	4,468	3,972	-	-	4,468	3,972
Culture and recreation	5,462	5,796	-	-	5,462	5,796
Interest and fiscal charges	319	476	-	-	319	476
Sanitation	-	-	2,172	2,389	2,172	2,389
Parking facility	-	-	198	175	198	175
Total expenses	<u>29,948</u>	<u>28,391</u>	<u>2,370</u>	<u>2,564</u>	<u>32,318</u>	<u>30,955</u>
Excess before transfers	5,816	4,660	89	631	5,905	5,291
Transfers	(56)	-	56	-	-	-
Change in net assets	<u>5,760</u>	<u>4,660</u>	<u>145</u>	<u>631</u>	<u>5,905</u>	<u>5,291</u>
Beginning net assets	62,753	58,093	3,133	2,502	65,886	60,595
Ending net assets	<u>\$ 68,513</u>	<u>\$ 62,753</u>	<u>\$ 3,278</u>	<u>\$ 3,133</u>	<u>\$ 71,791</u>	<u>\$ 65,886</u>

CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

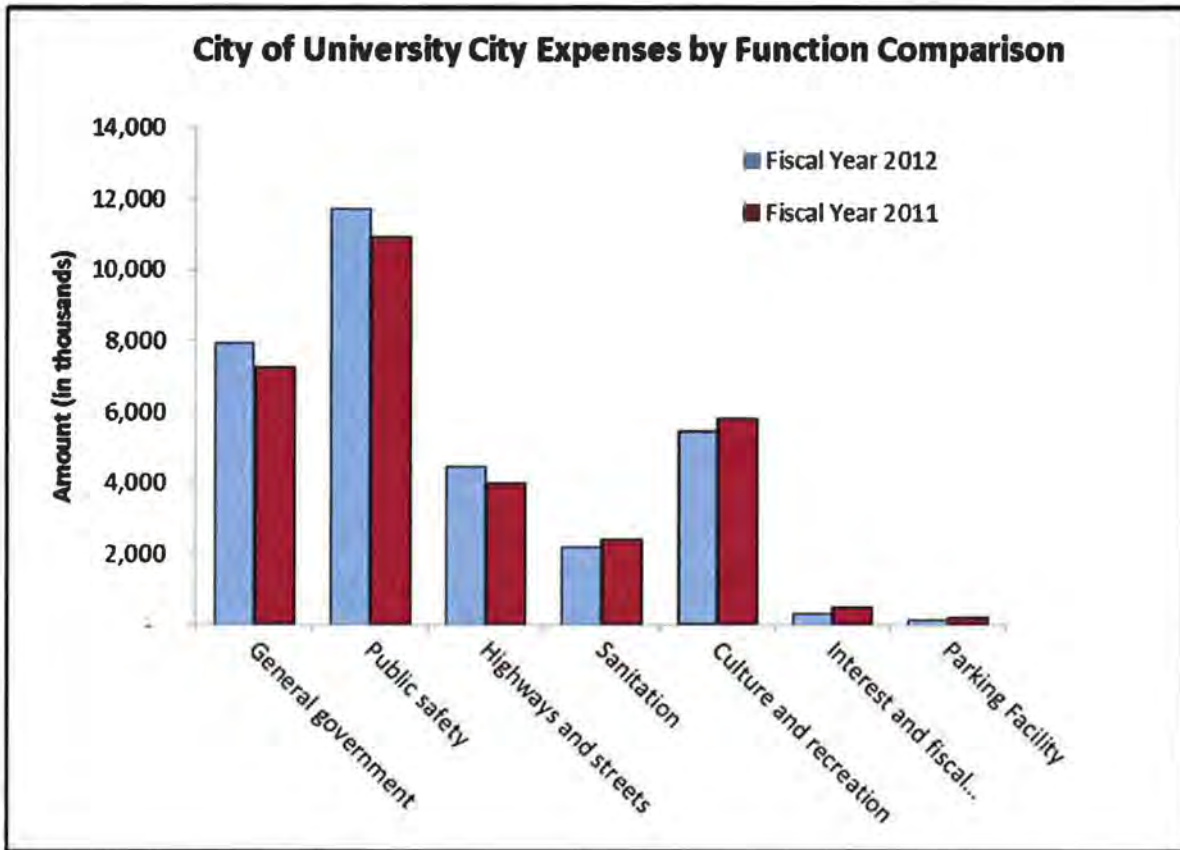
The City had an increase in net assets of \$5,905,224. This increase was primarily contributed to receiving significant amount of capital grants, mainly for the Wilson Avenue Flood buyout.

The following charts illustrate the comparison of 2012 and 2011 revenues by source and expenses by function.



CITY OF UNIVERSITY CITY, MISSOURI

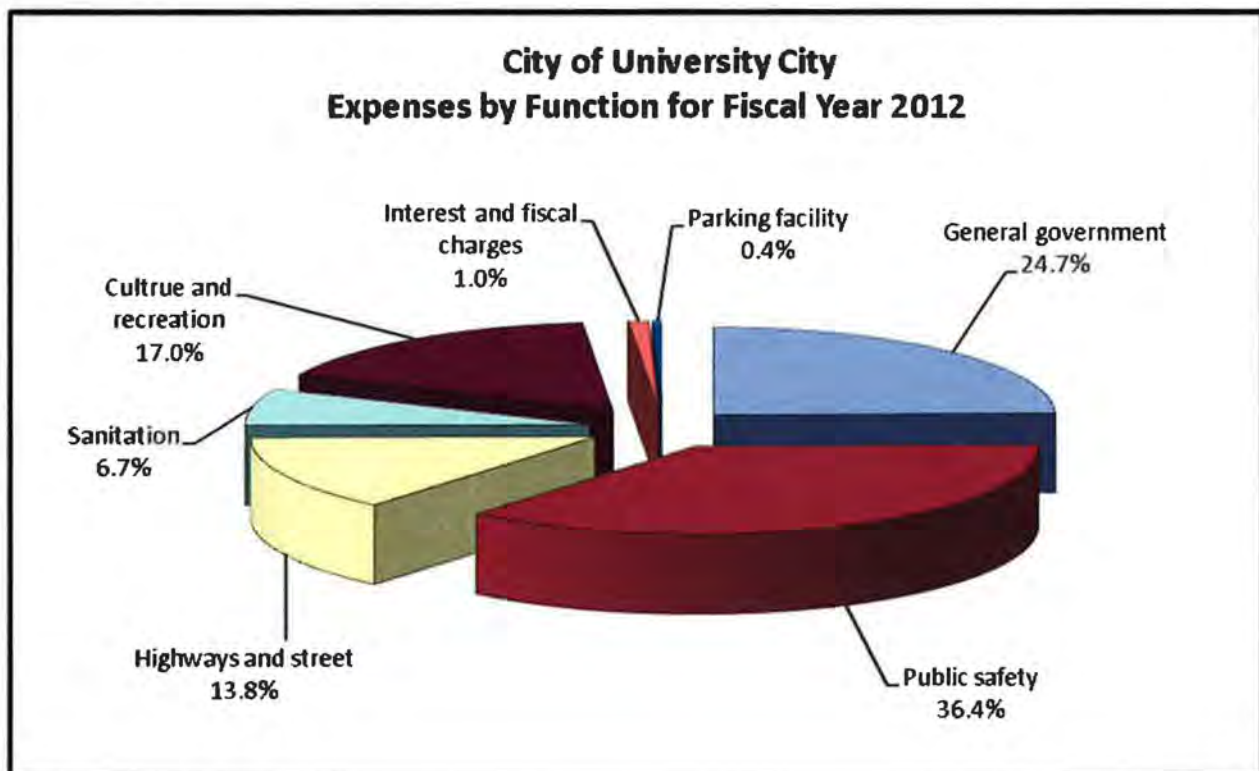
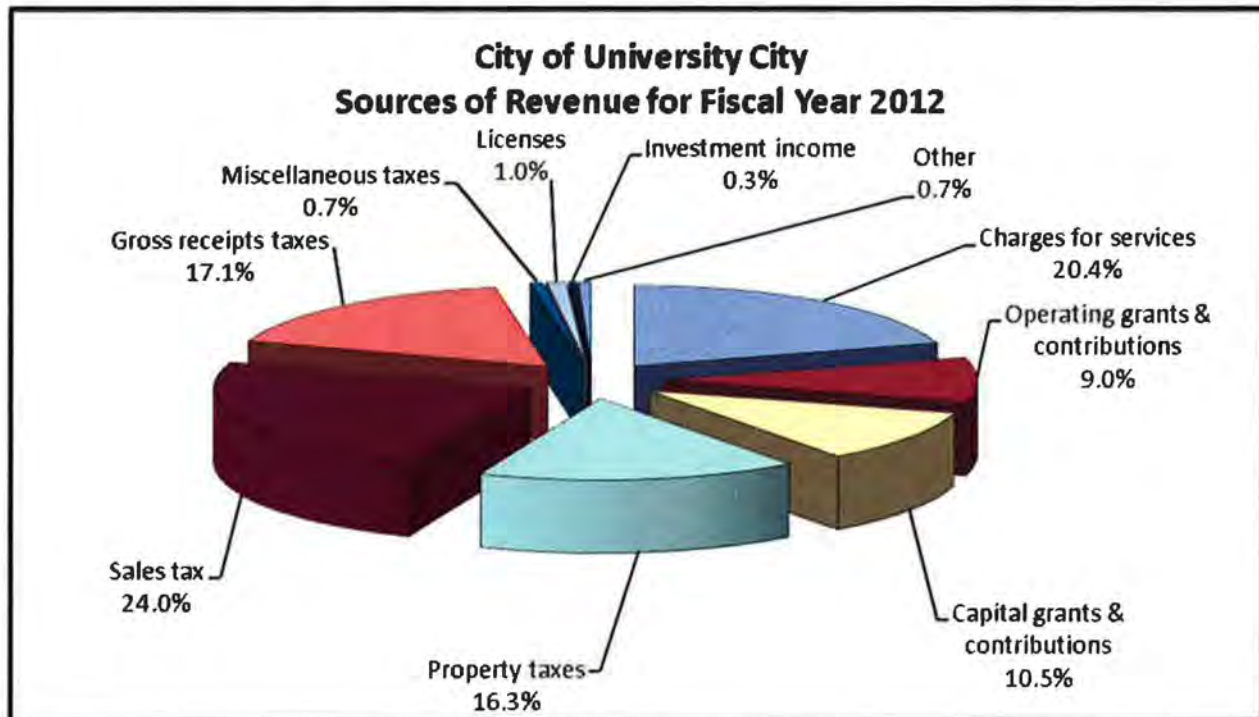
Management's Discussion and Analysis (continued)



CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

The charts below illustrate the City's sources of revenue and expenses by percentages of total.



CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

Property, sales, and gross receipts taxes totaling 57.4% are the primary revenue sources used to support City-wide program activities. As shown, public safety is the largest function in expense (36.4%) of the total expenses of governmental activities. Additionally, this expense increased by \$0.8 million (7.4%) from previous year. In FY 2012, the City received a significant amount of grants for both operating and capital. A combined total was \$7.4 million or 19.5% of total revenue.

Governmental Activities -- Governmental activities increased the City's net assets by \$5.8 million. This increase in net assets is attributed to fairly stable revenues and a reduction in expenses. Reduction of expenses was a result of delaying purchases of capital equipment, elimination of positions and merging Parks and Recreation Department with Public Works and Community Development Departments. In FY 2012, the City gave a 2% one-time bonus to all employees who are the top of their pay range and were not eligible for steps increase.

Business-type Activities -- Business-type activities increased the City's net assets only by \$145,114, accounting for 2.4% of the total growth in the City's net assets. The refuse net charges have decreased by \$0.7 million (24.5%) from FY 2011. This decrease was due to adding approximately \$.6 million to the allowance for uncollectible charges, based on the analysis of accounts receivable aging report.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds. The focus of the City's governmental funds is to provide information on inflows and balances of available spendable resources. Such information is useful in assessing the City'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.

General Fund

At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$17.8 million, while the total fund balance was \$23.2 million.

The unassigned fund balance in the City's General Fund increased by \$4.9 million or 37.4% from the prior year's unassigned fund balance. This significant increase was a result of dissolving the Olive Central Tax Increment Financing District, the \$3.4 million of assets held for resale was transferred to General Fund by Ordinance No. 6877 dated December 12, 2011.

Other Major Funds

- At year end 2012, the Library had restricted fund balance of \$1.1 million, which is consistent with last year.
- The Olive Central Tax Increment Financing District has been dissolved in December of 2011. The remaining fund balance of \$2.9 million was transferred to the General Fund.

CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

- Grants Fund was a major fund during FY 2012. This fund had a negative fund balance of \$0.4 million. This negative fund balance represents the portion of amount spent on Wilson Avenue Flood buyout but was not reimbursed by the grantor due to the stage of incompleteness of the project. The City anticipates to complete this project by the middle of FY 2014.

Proprietary Funds. The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Parking Facility and Solid Waste Funds at the end of the year amounted to \$143,033 and \$730,063 respectively with the increase in total net assets of \$14,451 and \$130,664 from last year. The Internal Service Fund, which is used to account for certain City activities, had \$2.3 million in unrestricted net assets.

Fiduciary Funds. The City maintains Fiduciary Funds for the assets of the City Non-Uniformed and Uniformed Employee Retirement Plans. As of the end of fiscal year 2012, the net assets of the Pension Funds totaled \$37.7 million, representing an increase of \$0.5 million in total net assets over last fiscal year. The change was primarily related to a gradual recovery of the market value of the Pension Funds' investments.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budget for the City's General Fund expenditures represents an original budget of \$25.8 million increased by \$0.4 million in final appropriations that occurred during the 2012 fiscal year. This increase was due to the City grants match for Wilson Avenue flood buy out and Flynn Park playground.

Revenues were originally estimated at \$26.0 million. This number was revised during the 2012 budget process to \$26.1 million. These changes were due to an increase in sales tax and a decrease in gross receipts tax for telecommunication from the original budget.

The General Fund ended the year with an operating budget surplus of \$1.9 million due to reductions in expenditures and other budget variances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City has invested \$45.8 million, net of accumulated depreciation, in a broad range of capital assets including buildings, park facilities, equipment, roads, bridges, and sidewalks. This amount represents a net increase for the current fiscal year (including additions and deductions) of \$3.8 million or 9.0% over the last year. The major portion of the increase is due to current year capital asset additions related to the Wilson Avenue Flood buyout.

CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

The capital assets, net of depreciation, follow (dollars in thousands):

	Capital Assets, Net of Depreciation					
	June 30					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 3,745	\$ 3,745	\$ -	\$ -	\$ 3,745	\$ 3,745
Buildings	12,565	13,252	2,006	2,001	14,571	15,253
Improvements other than buildings	2,161	1,944	4	4	2,165	1,948
Equipment and vehicles	4,283	3,772	761	439	5,044	4,211
Infrastructure	13,140	13,602	-	-	13,140	13,602
Construction in progress	7,171	3,292	-	-	7,171	3,292
Total Capital assets net of depreciation	<u>\$ 43,065</u>	<u>\$ 39,607</u>	<u>\$ 2,771</u>	<u>\$ 2,444</u>	<u>\$ 45,836</u>	<u>\$ 42,051</u>

For government-wide financial presentation, all depreciable capital assets are depreciated from acquisition date or date placed in service to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

Additional information on the City's government capital assets can be found in Note 3, page 41.

Long-term Debt Obligations

At the end of the fiscal year 2012, the City had outstanding long-term debt obligations for governmental activities in the amount of \$8.6 million compared to \$10.2 million in fiscal year 2011. Of this amount, \$7.0 million are certificates of participation, \$0.7 million are general obligation bonds, and \$0.4 million are special obligation bonds.

CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

The City's governmental and business-type activities debt is detailed below (dollars in thousands):

	Outstanding Long-Term Debt Obligations		
	June 30		Percent of Increase (Decrease)
	2012	2011	
Governmental activities:			
General obligation bonds payable	\$ 670	\$ 875	(23.4) %
Special obligation bonds	435	475	(8.4)
Certificates of participation	6,561	7,475	(12.2)
Unamortized premium, discount and deferred amount on refunding	(330)	(6)	5,400.0
Total bonds and notes payable	<u>7,336</u>	<u>8,819</u>	<u>(16.8)</u>
Compensated absences	825	804	2.6
Total governmental activities	<u>8,161</u>	<u>9,623</u>	<u>(15.2)</u>
Business-type activities:			
Certificates of participation	459	585	(21.5)
Compensated absences	28	29	(3.4)
Unamortized discount and deferred amount on refunding	(44)	(38)	15.8
Total business-type activities	<u>443</u>	<u>576</u>	<u>(23.1)</u>
Total Primary Government	<u>\$ 8,604</u>	<u>\$ 10,199</u>	<u>(15.6) %</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's authorized debt limit for fiscal year 2012 was \$59.5 million.

The City's underlying general obligation credit rating as of June 30, 2012 was:

Standard and Poor's Corporation AA

Additional information on the City's long-term debt can be found in Note 4, pages 43-45.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The fiscal year 2013 General Fund budget is \$25.8 million, a decrease of 0.4 million or 1.6% from the 2012 final appropriation.
- The City did appropriate unassigned General Fund's fund balance for the 2013 budget, mostly for street construction, curbs and sidewalks repair and tree trimming. A new telephone system and new restroom building at Millar Park were also reappropriated from previous year's budget.

CITY OF UNIVERSITY CITY, MISSOURI

Management's Discussion and Analysis (continued)

These appropriations are summarized as follow:

New telephone system	\$40,000
New restroom building at Millar Park	100,000
Streets and sidewalks repair	475,000
Street construction	400,000
Curbs and sidewalks	325,000
Tree trimming	70,000

- The City expects revenue to drop in all categories in 2013, except Grant revenue. This forecast was based on the decrease in number of population reported in 2010 census.
- As most of governmental and commercial enterprises, the City has been adversely affected by the current economic downturn. The City expects that property tax revenues will remain at these low amounts.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of University City
Department of Finance
6801 Delmar Boulevard
University City, MO 63130

Basic Financial Statements

CITY OF UNIVERSITY CITY, MISSOURI

**STATEMENT OF NET ASSETS
JUNE 30, 2012**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	IDA	LCRA
ASSETS					
Cash and investments	\$ 20,557,414	\$ 2,465,410	\$ 23,022,824	\$ 2,369	\$ 20,370
Receivables (net of allowance for uncollectibles):					
Taxes	2,767,295	-	2,767,295	-	-
Grants	1,443,657	-	1,443,657	-	-
Court	142,695	-	142,695	-	-
Other	1,450,691	41,064	1,491,755	-	-
Internal balances	986,141	(986,141)	-	-	-
Due from fiduciary fund	2,021,884	-	2,021,884	-	-
Inventory	186,403	-	186,403	-	-
Prepaid items	1,175,855	8,343	1,184,198	-	-
Other assets	22,945	-	22,945	-	-
Bond issue costs	134,226	6,349	140,575	-	-
Cash and investments - restricted	650,026	49,939	699,965	-	-
Net pension asset	1,708,957	-	1,708,957	-	-
Assets held for resale	3,368,935	-	3,368,935	-	-
Capital assets:					
Land and construction in progress	10,915,948	-	10,915,948	-	-
Other capital assets, net of accumulated depreciation	32,149,250	2,770,584	34,919,834	-	-
Total Assets	79,682,322	4,355,548	84,037,870	2,369	20,370
LIABILITIES					
Accounts payable	1,270,067	52,987	1,323,054	-	1,576
Accrued expenses	1,153,643	50,923	1,204,566	-	-
Accrued interest payable	39,587	4,725	44,312	-	-
Unearned revenue	109,585	524,902	634,487	-	-
Deposits	325,122	-	325,122	-	-
Noncurrent liabilities:					
Due within one year	1,743,627	98,692	1,842,319	-	-
Due in more than one year	6,417,544	345,080	6,762,624	-	-
Due in more than one year-net OPEB obligation	110,501	-	110,501	-	-
Total Liabilities	11,169,676	1,077,309	12,246,985	-	1,576
NET ASSETS					
Invested in capital assets, net of related debt	35,728,664	2,355,204	38,083,868	-	-
Restricted for:					
Library	1,191,006	-	1,191,006	-	-
Special business districts	188,561	-	188,561	-	-
Sewer lateral	1,225,172	-	1,225,172	-	-
Economic development	1,583,018	-	1,583,018	-	-
Police and fire pension	82,042	-	82,042	-	-
Debt services	925,998	49,939	975,937	-	-
Unrestricted	27,588,185	873,096	28,461,281	2,369	18,794
Total Net Assets	\$ 68,512,646	\$ 3,278,239	\$ 71,790,885	\$ 2,369	\$ 18,794

CITY OF UNIVERSITY CITY, MISSOURI

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

FUNCTIONS/PROGRAMS	Program Revenues				Net Revenues (Expenses) And Changes In Net Assets				
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	IDA	LCRA
Primary Government:									
Governmental Activities									
General government	\$ 7,946,257	\$ 1,166,520	\$ 474,824	\$ 424,853	\$ (5,880,060)	\$ -	\$ (5,880,060)	\$ -	\$ -
Public safety	11,752,872	1,742,769	501,199	203,850	(9,305,054)	-	(9,305,054)	-	-
Public works and parks	4,468,238	716,969	2,157,097	3,380,299	1,786,127	-	1,786,127	-	-
Culture and recreation	5,461,477	1,706,735	295,985	-	(3,458,757)	-	(3,458,757)	-	-
Interest and fiscal charges	318,961	-	-	-	(318,961)	-	(318,961)	-	-
Total Governmental Activities	29,947,805	5,332,993	3,429,105	4,009,002	(17,176,705)	-	(17,176,705)	-	-
Business-type Activities									
Parking facility	198,476	210,503	-	-	-	12,027	12,027	-	-
Sanitation	2,172,142	2,248,772	-	-	-	76,630	76,630	-	-
Total Business-type Activities	2,370,618	2,459,275	-	-	-	88,657	88,657	-	-
Total Primary Government	\$ 32,318,423	\$ 7,792,268	\$ 3,429,105	\$ 4,009,002	(17,176,705)	88,657	(17,088,048)	-	-
Component Units									
IDA	\$ 1,730	\$ -	\$ -	\$ -	-	-	-	(1,730)	-
LCRA	3,223	-	-	-	-	-	-	-	(3,223)
Total Component Units	\$ 4,953	\$ -	\$ -	\$ -	-	-	-	(1,730)	(3,223)
General Revenues									
Taxes:									
Property taxes levied for:									
General purposes					3,460,186	-	3,460,186	-	-
Debt service					185,893	-	185,893	-	-
Police and fire pension					951,516	-	951,516	-	-
Library					1,499,013	-	1,499,013	-	-
Special business districts					135,596	-	135,596	-	-
Sales and use taxes levied for:									
General purposes					4,616,510	-	4,616,510	-	-
Parks and stormwater					1,156,963	-	1,156,963	-	-
Capital improvement					2,206,688	-	2,206,688	-	-
Economic development					578,355	-	578,355	-	-
Fire services					578,482	-	578,482	-	-
Gross receipts taxes					6,533,433	-	6,533,433	-	-
Miscellaneous taxes					247,152	-	247,152	-	-
Licenses (taxes)					381,385	-	381,385	-	-
Investment income					133,001	429	133,430	-	-
Other					328,670	-	328,670	-	-
Transfers					(56,029)	56,029	-	-	-
Total General Revenues					22,936,814	56,458	22,993,272	-	-
CHANGE IN NET ASSETS					5,760,109	145,115	5,905,224	(1,730)	(3,223)
NET ASSETS, JULY 1					62,752,537	3,133,124	65,885,661	4,099	22,017
NET ASSETS, JUNE 30					\$ 68,512,646	\$ 3,278,239	\$ 71,790,885	\$ 2,369	\$ 18,794

CITY OF UNIVERSITY CITY, MISSOURI

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012**

	General	Library	Grants	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 12,895,918	\$ 2,178,531	\$ -	\$ 3,835,466	\$ 18,909,915
Receivables					
Taxes	2,483,738	97,955	-	185,602	2,767,295
Grants	12,160	-	1,431,497	-	1,443,657
Court	142,695	-	-	-	142,695
Other	1,411,752	7,151	2,700	12,017	1,433,620
Due from other funds	4,961,711	8,179	21,999	287,323	5,279,212
Cash and investments - restricted	650,026	-	-	-	650,026
Prepaid items	1,104,474	63,544	-	-	1,168,018
Other	22,945	-	-	-	22,945
Assets held for resale	3,368,935	-	-	-	3,368,935
Total Assets	\$ 27,054,354	\$ 2,355,360	\$ 1,456,196	\$ 4,320,408	\$ 35,186,318
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 965,448	\$ 53,499	\$ 100,361	\$ 82,767	\$ 1,202,075
Accrued liabilities	953,901	416	-	-	954,317
Due to other funds	287,323	1,046,895	1,205,235	420,642	2,960,095
Deposits	323,403	-	-	1,719	325,122
Deferred revenue	1,358,617	81,397	567,457	97,453	2,104,924
Total Liabilities	3,888,692	1,182,207	1,873,053	602,581	7,546,533
Fund Balances					
Nonspendable	1,104,474	63,544	-	-	1,168,018
Restricted for:					
Library	-	1,109,609	-	-	1,109,609
Special business districts	-	-	-	188,561	188,561
Sewer lateral	-	-	-	1,225,172	1,225,172
Economic development	-	-	-	1,583,018	1,583,018
Debt services	650,026	-	-	260,561	910,587
Committed	2,323,460	-	-	-	2,323,460
Assigned for:					
Nonmajor funds	-	-	-	460,515	460,515
Encumbrances	1,258,968	-	-	-	1,258,968
Unassigned	17,828,734	-	(416,857)	-	17,411,877
Total Fund Balances	23,165,662	1,173,153	(416,857)	3,717,827	27,639,785
Total Liabilities and Fund Balances	\$ 27,054,354	\$ 2,355,360	\$ 1,456,196	\$ 4,320,408	\$ 35,186,318

CITY OF UNIVERSITY CITY, MISSOURI

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total Fund Balances - Governmental Funds	\$ 27,639,785
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 governmental funds. The cost of the assets is \$63,912,250 and the accumulated depreciation is \$21,917,936.	41,994,314
Property taxes assessed by the City, but not collected as of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements.	464,333
Net pension assets are not financial resources and, therefore, are not reported in the governmental funds.	1,708,957
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	1,531,006
The Internal Service Fund is used by the City to charge for services provided by the Central Garage Department to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net assets.	3,334,543
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued interest payable	(39,587)
Accrued compensated absences	(807,896)
Net OPEB obligation	(110,501)
Bonds, notes payable, and capital lease outstanding	(7,336,534)
Bond issuance cost	134,226
Total Net Assets of Governmental Activities	<u>\$ 68,512,646</u>

CITY OF UNIVERSITY CITY, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2012**

	General	Library	Olive Central Tax Increment Financing District	Grants	Other Governmental Funds	Total Governmental Funds
REVENUES						
General taxes	\$ 18,968,681	\$ 1,474,071	\$ -	\$ -	\$ 1,870,936	\$ 22,313,688
Charges for services	2,801,028	-	-	-	628,057	3,429,085
Intergovernmental	2,056,471	83,360	-	4,621,739	-	6,761,570
Licenses, permits, fines, and fees	2,633,356	70,640	-	-	24,998	2,728,994
Investment income	98,577	18,186	-	-	7,904	124,667
Special assessment	203,298	-	-	-	-	203,298
Other	156,115	73,464	-	-	50,613	280,192
Total Revenues	26,917,526	1,719,721	-	4,621,739	2,582,508	35,841,494
EXPENDITURES						
Current:						
General government	4,563,540	-	-	626,978	1,864,561	7,055,079
Public safety	11,387,434	-	-	-	-	11,387,434
Public works and parks	2,769,479	-	-	-	-	2,769,479
Culture and recreation	3,135,108	1,665,763	-	-	-	4,800,871
Capital outlay	1,852,638	-	-	4,456,463	221,362	6,530,463
Debt Service:						
Principal	926,940	-	-	-	205,000	1,131,940
Interest and fiscal charges	783,169	-	-	-	28,848	812,017
Total Expenditures	25,418,308	1,665,763	-	5,083,441	2,319,771	34,487,283
REVENUES OVER (UNDER) EXPENDITURES	1,499,218	53,958	-	(461,702)	262,737	1,354,211
OTHER FINANCING SOURCES (USES)						
Issuance of refunding debt	6,561,000	-	-	-	-	6,561,000
Payment to escrow agent	(6,436,256)	-	-	-	-	(6,436,256)
Transfers in	4,311,620	-	-	-	-	4,311,620
Transfers out	-	(4,000)	(2,854,700)	-	(1,454,915)	(4,313,615)
Total Other Financing Sources (Uses)	4,436,364	(4,000)	(2,854,700)	-	(1,454,915)	122,749
NET CHANGE IN FUND BALANCES	5,935,582	49,958	(2,854,700)	(461,702)	(1,192,178)	1,476,960
FUND BALANCES, JULY 1	17,230,080	1,123,195	2,854,700	44,845	4,910,005	26,162,825
FUND BALANCES, JUNE 30	\$ 23,165,662	\$ 1,173,153	\$ -	\$ (416,857)	\$ 3,717,827	\$ 27,639,785

CITY OF UNIVERSITY CITY, MISSOURI

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Net Change In Fund Balances - Governmental Funds **\$ 1,476,960**

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over estimated useful lives and reported as depreciation expense.

Capital asset purchases	686,223	
Additions to construction in progress	5,053,826	
Depreciation expense	<u>(2,550,236)</u>	3,189,813

In the statement of activities, the gain (loss) on the sale of capital assets is reported.

The gain (loss) is not a use of current resources and thus is not reported in the funds. (125,597)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenue in the governmental funds. The net effect of these differences is as follows:

Property taxes	(29,348)	
Grants	461,082	
Ambulance and other	<u>(476,298)</u>	(44,564)

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

Issuance of refunding debt	(6,561,000)	
Payment to escrow agent - principal	6,850,000	
Repayment bonds payable and other debt	870,000	
Amortization of bond issuance cost, (premiums) and discounts on debt issues	<u>237,582</u>	1,396,582

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 the governmental funds.

Accrued interest on bonds	103,670	
Accrued compensated absence liability	(19,596)	
Net pension asset	(87,143)	
Net other post employment benefit obligation	<u>(58,342)</u>	(61,411)

Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The revenue (expense) of the Internal Service Fund is reported with governmental activities in the statement of activities.

(71,674)

Change In Net Assets of Governmental Activities **\$ 5,760,109**

CITY OF UNIVERSITY CITY, MISSOURI

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2012**

	<u>Business-Type Activities - Enterprise Funds</u>				
	<u>Major Enterprise Funds</u>				
	Parking Garage	Solid Waste	Total Enterprise Funds	Governmental Activities - Internal Service Fund	
ASSETS					
Current Assets					
Cash and investments	\$ 347,617	\$ 2,117,793	\$ 2,465,410	\$ 1,647,499	
Receivables:					
Other	9,104	31,960	41,064	17,071	
Due from other funds	-	114	114	771,635	
Inventory	-	-	-	186,403	
Prepaid items	-	8,343	8,343	7,837	
Total Current Assets	356,721	2,158,210	2,514,931	2,630,445	
Noncurrent Assets					
Bond issue costs	6,349	-	6,349	-	
Cash and investments - restricted	49,939	-	49,939	-	
Capital assets, net of accumulated depreciation	1,974,036	796,548	2,770,584	1,070,884	
Total Noncurrent Assets	2,030,324	796,548	2,826,872	1,070,884	
Total Assets	2,387,045	2,954,758	5,341,803	3,701,329	
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable	171	52,816	52,987	67,992	
Accrued expenses	-	50,923	50,923	199,326	
Accrued interest payable	4,725	-	4,725	-	
Due to other funds	215,141	771,114	986,255	82,727	
Unearned revenue	-	524,902	524,902	-	
Certificates of participation - current	70,300	-	70,300	-	
Accrued compensated absences	-	28,392	28,392	16,741	
Total Current Liabilities	290,337	1,428,147	1,718,484	366,786	
Noncurrent Liabilities					
Certificates of participation	345,080	-	345,080	-	
Total Liabilities	635,417	1,428,147	2,063,564	366,786	
Net Assets					
Invested in capital assets, net of related debt	1,558,656	796,548	2,355,204	1,070,884	
Restricted for debt service	49,939	-	49,939	-	
Unrestricted	143,033	730,063	873,096	2,263,659	
Total Net Assets	\$ 1,751,628	\$ 1,526,611	\$ 3,278,239	\$ 3,334,543	

CITY OF UNIVERSITY CITY, MISSOURI

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Business-Type Activities - Enterprise Funds			
	Major Enterprise Funds			Governmental Activities -
	Parking Garage	Solid Waste	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES				
Charges for services, net	\$ 210,503	\$ 2,248,772	\$ 2,459,275	\$ 1,301,914
OPERATING EXPENSES				
Personal services	-	959,892	959,892	437,155
Contractual services	71,086	990,704	1,061,790	184,681
Depreciation and amortization	45,844	136,193	182,037	195,201
Utilities	13,753	1,520	15,273	32,622
Supplies	9,069	81,894	90,963	21,562
Materials	-	1,939	1,939	456,347
Total Operating Expenses	139,752	2,172,142	2,311,894	1,327,568
OPERATING INCOME (LOSS)	70,751	76,630	147,381	(25,654)
NONOPERATING REVENUES (EXPENSES)				
Investment income (expense)	(28,804)	-	(28,804)	8,014
Interest expense	(29,491)	-	(29,491)	-
Total Nonoperating Revenues (Expenses)	(58,295)	-	(58,295)	8,014
Transfer in	1,995	54,034	56,029	-
Transfer out	-	-	-	(54,034)
CHANGE IN NET ASSETS	14,451	130,664	145,115	(71,674)
NET ASSETS, JULY 1	1,737,177	1,395,947	3,133,124	3,406,217
NET ASSETS, JUNE 30	\$ 1,751,628	\$ 1,526,611	\$ 3,278,239	\$ 3,334,543

CITY OF UNIVERSITY CITY, MISSOURI

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Major Enterprise Funds		Total Enterprise Funds	
	Parking Garage	Solid Waste		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 223,780	\$ 2,959,454	\$ 3,183,234	\$ 1,321,041
Payments to suppliers	(94,538)	(1,131,993)	(1,226,531)	(841,123)
Payments to employees	-	(997,193)	(997,193)	(425,350)
Net Cash Provided By Operating Activities	129,242	830,268	959,510	54,568
Cash Flows From Noncapital Financing Activities:				
Advances on (repayments of) internal balances	92,412	(89,467)	2,945	187,940
Transfers in (out)	1,995	-	1,995	-
Net Cash Provided By (Used In) Noncapital Financing Activities	94,407	(89,467)	4,940	187,940
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(454,989)	(454,989)	(643,543)
Proceeds from sale of capital debt	459,000	-	459,000	-
Refunding of certificates of participation	(495,000)	-	(495,000)	-
Principal payments on certificates of participation	(90,000)	-	(90,000)	-
Interest paid on certificates of participation	(30,840)	-	(30,840)	-
Net Cash Used In Capital and Related Financing Activities	(156,840)	(454,989)	(611,829)	(643,543)
Cash Flows From Investing Activities:				
Proceeds from investments	45,816	-	45,816	-
Interest income	429	-	429	8,014
Net Cash Provided By Interest Activities	46,245	-	46,245	8,014
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	113,054	285,812	398,866	(393,021)
CASH AND CASH EQUIVALENTS, JULY 1	234,563	1,831,981	2,066,544	2,040,520
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 347,617	\$ 2,117,793	\$ 2,465,410	\$ 1,647,499
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 70,751	\$ 76,630	\$ 147,381	\$ (25,654)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	45,844	136,193	182,037	195,201
(Increase) decrease in assets:				
Service receivables	13,277	635,538	648,815	19,127
Inventory and prepaid items	-	37,456	37,456	(97,500)
Increase (decrease) in liabilities:				
Accounts payable	(630)	(93,391)	(94,021)	(48,411)
Accrued expenses	-	(37,302)	(37,302)	11,805
Other liabilities	-	75,144	75,144	-
Total Adjustments	58,491	753,638	812,129	80,222
Net Cash Provided By Operating Activities	\$ 129,242	\$ 830,268	\$ 959,510	\$ 54,568

Non-cash capital and related financing activities:

During 2012, the internal service fund transferred capital assets with a net book value of \$54,034 to the solid waste fund.

CITY OF UNIVERSITY CITY, MISSOURI

**STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUNDS
JUNE 30, 2012**

ASSETS:

Cash and investments:	
Common stock	\$ 18,905,600
U.S. government securities	3,227,000
Corporate bonds	8,489,643
Mutual Funds	4,590,941
Cash and money market accounts	4,929,990
Total Cash And Investments	<u>40,143,174</u>
Interest receivable	<u>147,646</u>
Total Assets	<u><u>40,290,820</u></u>

LIABILITIES:

Accounts payable	31,475
Due to other funds	2,021,884
Deferred revenue	536,987
Other liabilities	<u>19,335</u>
Total Liabilities	<u><u>2,609,681</u></u>

NET ASSETS:

Held in trust for pension benefits	<u><u>\$ 37,681,139</u></u>
------------------------------------	-----------------------------

CITY OF UNIVERSITY CITY, MISSOURI

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

ADDITIONS:

Contributions:

Employee	\$ 194,902
Employer	1,506,569
Total Contributions	<u>1,701,471</u>

Investment income

Net appreciation in fair value of investments and interest and dividends	<u>2,354,370</u>
---	------------------

Total Additions	<u>4,055,841</u>
------------------------	------------------

DEDUCTIONS:

Benefits	2,964,645
Refund of contributions	80,683
Administrative	560,815
Total Deductions	<u>3,606,143</u>

CHANGE IN NET ASSETS	449,698
-----------------------------	---------

NET ASSETS, JULY 1	<u>37,231,441</u>
---------------------------	-------------------

NET ASSETS, JUNE 30	<u><u>\$ 37,681,139</u></u>
----------------------------	-----------------------------

CITY OF UNIVERSITY CITY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of University City, Missouri (the "City") was incorporated on September 6, 1906 and established a Council-Manager form of government. The City's major operations include police and fire protection, street maintenance and improvements, parks and recreation, certain social services, and general administrative services.

The accounting and financial reporting policies of the City conform to U.S. generally accepted accounting principles as applicable to governmental entities. The following is a summary of the more significant policies:

A. The Financial Reporting Entity

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB 14*. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's governing body or because the component unit will provide a financial benefit or impose a financial burden on the City. The City's financial reporting entity consists of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity. There are no separate financial statements prepared for the City's component units.

Blended Component Units

The following component units are legally separate from the City; however, their governing bodies are substantively the same as the City's and, consequently, they are, in substance, the same as the primary government. As such, the balances and transactions of these 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.

University City Loop Special Business District (LSBD) and Parkview Gardens Special Business District (PGSBD) -- The LSBD and PGSBD were created by Ordinance of the City Council, organized and existing under the laws of the State of Missouri. The LSBD was established to promote retail trade activities and enhance the environment of an area within the City referred to as the Loop. The PGSBD was established to provide a mechanism for property owners to enhance their environment.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

The City Council is responsible for imposing business license fees for the LSBD and for levying dedicated taxes to provide funding for both entities. Additionally, the City Council has the sole discretion as to how the revenues of these entities are to be utilized. The LSBD and PGSBD are presented as governmental fund types.

Discretely Presented Component Units

The discretely presented component unit columns in the basic financial statements include the financial data of the City's other component units. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City. The following entities are discretely presented in the basic financial statements as governmental fund types:

Industrial Development Authority (IDA) - The IDA is a not-for-profit corporation *Industrial Development Corporations Act*. It is designed to develop, advance, encourage, and promote commercial industrial and manufacturing facilities in the City. The Mayor, with consent of the City Council, appoints the IDA Board of Directors. The City provides the IDA financial and administrative support.

Land Clearance for Redevelopment Authority (LCRA) - The LCRA was created by Ordinance of the City Council, as provided under the laws of the State of Missouri, and is administered by a Board of Commissioners appointed by the Mayor and City Manager with the advice and consent of the City Council. It was established to redevelop and improve deteriorated areas of the City. As required by State Statute, certain activities of the LCRA are required to be approved or presented to the City's governing body.

B. 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 primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities; which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

Library Fund - The Library Fund is a Special Revenue Fund used to account for special revenues received for the University City Public Library.

Olive Central Tax Increment Financing (TIF) District - The Olive Central TIF District is a Special Revenue Fund used to account for revenues and expenditures related to specific economic development projects in the Olive Central business and residential areas. During the fiscal year ended June 30, 2012, the TIF District was dissolved and the assets were transferred to the General Fund.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Grants Fund - The Grants Fund is used to account for revenues and expenditures related to grants awarded by the Federal government, State of Missouri, St. Louis County and local grantors. Resources received by the City from other government are accounted for within applicable programs based on the purpose and requirements of each grant. Revenues are recognized on an accounting basis consistent with the Fund's measurement objective. Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred and revenues are available. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as deferred revenue or amounts receivable from grantors. At June 30, 2012, the Grants Fund reported a negative \$416,857 fund balance as a result of revenue that could not be recognized since it was not yet available.

The City reports the following major proprietary enterprise funds:

Parking Facility - The Parking Facility Fund is 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.

Solid Waste Fund - The City established this fund to account for revenues and expenditures related to solid waste management.

Additionally, the City reports the following fund types:

Internal Service Fund - The Internal Service Fund is used to account for services provided to other departments of the City by the Fleet Maintenance Department. Charges for services are allocated to various City departments on a cost recovery basis.

Pension Trust Funds - The Police and Firemen's Retirement Fund is used to account for the accumulation of resources for pension benefit payments to police and fire personnel.

The Non-Uniformed Employees' Retirement Fund is used to account for the accumulation of resources for pension benefit payments to non-uniformed personnel.

The Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option off allowing 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.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contribution, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Parking Facility Enterprise Fund, the Solid Waste Enterprise Fund and of the City's Internal Service Fund are charges for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental fund types and the discretely presented component units. Encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. For the budgetary purposes, encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase.

E. Cash, Cash Equivalents, and Investments

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, requires that all investments be reported in the financial statements at fair value. Fair value is established as readily determinable current market value for equity and debt securities.

Missouri State Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. government agencies, securities of the State of Missouri, and of local governments in Missouri with populations greater than 400,000. Deposits in financial institutions in excess of federally insured amounts must be collateralized by securities pledged to the City by those same institutions. The collateral is required to be held by the City or by the trust department of a financial institution other than the pledging bank.

The Pension Trust Funds are authorized to invest in obligations of the U.S. government or its agencies, other marketable equity and nonequity securities (not to exceed 5% of the trust fund in anyone security), and other investments as approved by the Pension Trust Funds' Board of Trustees.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

F. Allowance

Receivables are shown net of an allowance for uncollectible of \$2,741,100 including certain taxes, refuse fees, ambulance fees, and solid waste fees among others.

G. Due To/From Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from", are considered "available spendable resources", and are subject to elimination upon consolidation.

H. Inventory

Purchases of materials and supplies in the governmental fund types are charged to expenditures when purchased. Amounts of inventories in such funds are not significant. For the proprietary fund type, inventory is valued at cost (first-in, first-out) and the expense is recognized when inventories are consumed in operations.

I. Restricted Assets

Certain resources set aside for the repayment of certificates of participation are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants.

J. Capital Assets

Capital assets which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items) are reported in the financial statements where applicable. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure acquired prior to the implementation of GASB Statement No. 34 has been reported.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Improvements other than buildings	5 - 20
Equipment	3 - 25
Infrastructure	5 - 35

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

K. Compensated Absences

City employees generally earn vacation at the rate of 1 1/4 working days per month or 15 days per year. Regular full-time employees having completed 5 years of service are allowed vacation leave at the rate of 1 1/3, working days per month or 16 days per year. Regular full-time employees having completed 10 years of service are allowed vacation leave at the rate of 1 1/2, working days per month or 18 days per year. Regular full-time employees having completed 20 years of service are allowed vacation leave at the rate of 2 working days per month or 24 days per year. Regular full-time employees who are separated from service are compensated for vacation accrued up to the date of separation. The entire compensated absences are accrued when incurred in the government-wide financial statements. For governmental funds, the expenditure for compensated absences is recorded in the fund when the employees who have accumulated unpaid leave are paid. Therefore, current portion of the liability is not reported in the governmental funds. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Deferred Revenue

Deferred revenue is composed primarily of delinquent property tax, grant revenue, and special assessments which are measurable but not available and, therefore, not recognized as revenue in the accompanying governmental funds financial statements.

M. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported and amortized over the term of the related debt.

In the fund financial statements, governmental fund types 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 cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Governmental Fund Balances

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

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

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

Restricted - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The City's restricted funds consist of various taxes approved by voters for specific purposes, TIF projects and debt obligations.

Committed - This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the City Council, the City's highest level of decision-making authority. The City has the following committed fund balances as of June 30, 2012:

Purpose	Amount
Wilson Avenue flood buyout	\$ 88,966
Borrowed from reserves for fire station	674,494
New fire station	200,000
City hall fire escape	90,000
Street and sidewalk repairs	1,200,000
Tree trimming	70,000
Total	<u>\$ 2,323,460</u>

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes by a) City Council or b) City Manager. The City's assigned fund balance includes contractual obligations (encumbrances) and amounts accounted for in nonmajor special revenue and capital projects funds for intended purposes.

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

The City's policy is to maintain unassigned fund balance in the General Fund which represents at least 17% of annual expenditures.

O. Net Assets

In the government-wide 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.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

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."

P. Use of Restricted Resources

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

Q. Property Taxes

The City's property taxes are levied each September based on the assessed valuation for all real and personal property located in the City as of the previous January 1. Taxes are billed on November 1 and due and payable on or before December 31. Liens are placed on property for delinquent taxes on January 1 following the due date.

The St. Louis County Assessment Board establishes assessed values.

For 2011, the City's tax rate levied per \$100 of assessed valuation was as follows:

Fund	Real Estate		Personal	Total
	Residential	Commercial	Property	
General	0.5610	0.6680	0.6800	1.9090
Police & Fire Pension	0.1580	0.1900	0.1950	0.5430
Debt Service	0.0340	0.0340	0.0340	0.1020
	0.7530	0.8920	0.9090	2.5540

In addition, the University City Library District levied a tax rate per \$100 of assessed valuation of \$0.241 for residential, \$0.280 for commercial and \$0.280 for personal property.

R. Interfund Transactions

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

Transfers - Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

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

S. Use of Estimates

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

2. CASH AND INVESTMENTS

A. Deposits

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. Statutes require the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities. The Pension Trust Fund is authorized to invest in corporate stocks, bonds and other investments as allowed by state law.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

The deposits and investments held at June 30, 2012, and reported at fair value, are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand deposits	\$ 13,098,240
Cash on hand	3,430
Repurchase agreement	6,390,000
	<u>19,491,670</u>
Investments:	
Money Market Mutual Funds	3,471,309
Common Stock	18,905,600
Corporate Bonds	8,984,986
U.S. Treasury Notes	2,322,943
U.S. Treasury and Agency Obligations	6,121,253
Mutual funds	4,590,941
	<u>44,397,032</u>
Total Deposits and Investments	<u>\$ 63,888,702</u>
Reconciliation to the Financial Statements:	
Statement of Net Assets:	
Primary Government:	
Cash and Investments	23,022,824
Restricted Cash and Investments	699,965
Discretely presented component units	22,739
Statement of Fiduciary Net Assets:	
Pension Trust Fund:	
Cash and Investments	<u>40,143,174</u>
	<u>\$ 63,888,702</u>

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Custodial Credit Risk - Deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. 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. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of June 30, 2012, the City's bank balances were entirely insured or collateralized with securities held by the City's or by its agent in the City's name. As of June 30, 2012, the discretely presented component units' bank balances were entirely insured or collateralized with securities by the discretely presented component units or by their agents in the discretely presented component units' names.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

B. Investments

As of June 30, 2012, the City had the following investments:

Investments	Fair Market Value	Maturities					Credit Risk
		No Maturity	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years	
Primary Government							
Money market mutual funds	\$ 108,991	\$ 108,991	\$ -	\$ -	\$ -	\$ -	Not rated
U.S. Treasury Obligations	4,626,222	-	-	4,626,222	-	-	AAA
U.S. Treasury Obligations	590,974	-	-	590,974	-	-	AA+
Corporate Bonds	247,671	-	-	247,671	-	-	A
Corporate Bonds	247,671	-	-	247,671	-	-	BBB
Total Primary Government	\$ 5,821,529	\$ 108,991	\$ -	\$ 5,712,538	\$ -	\$ -	
Fiduciary Funds							
Common Stock	\$ 18,905,600	\$ 18,905,600	\$ -	\$ -	\$ -	\$ -	N/A
Mutual Funds	4,590,941	4,590,941	-	-	-	-	Not rated
Government Securities							
U.S. Treasury Notes	2,322,943	2,322,943	-	-	-	-	N/A
U.S. Agency Obligations	904,057	904,057	-	-	-	-	Not rated
Money Market Mutual Funds	3,362,318	3,362,318	-	-	-	-	Not rated
Corporate Bonds	1,810,565	-	115,524	186,582	1,413,486	94,973	A
Corporate Bonds	2,091,980	-	104,170	334,596	1,389,411	263,803	A-
Corporate Bonds	1,080,752	-	-	324,285	678,787	77,680	A+
Corporate Bonds	178,680	-	-	-	178,680	-	AA
Corporate Bonds	66,189	-	-	-	-	66,189	AA-
Corporate Bonds	247,033	-	-	105,312	141,721	-	AA+
Corporate Bonds	542,052	-	275	472,420	-	69,357	AAA
Corporate Bonds	1,197,653	-	-	667,134	530,519	-	BBB
Corporate Bonds	250,992	-	128,971	122,021	-	-	BBB-
Corporate Bonds	1,023,748	-	-	-	1,023,748	-	BBB+
Total Fiduciary Funds	\$ 38,575,503	\$ 30,085,859	\$ 348,940	\$ 2,212,350	\$ 5,356,352	\$ 572,002	
Grand Total Investments	\$ 44,397,032	\$ 30,194,850	\$ 348,940	\$ 7,924,888	\$ 5,356,352	\$ 572,002	

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with its investment policy, the City minimizes credit risk by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. In accordance with its investment policy, the City minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing primarily in shorter term securities.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. In accordance with its investment policy, the City minimizes concentration of credit risk by not investing more than 50% of the City's total investments in any single issuer.

Custodial Credit Risk - For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial risk by diversifying the investment portfolio.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

3. CAPITAL ASSETS

Capital asset activity was as follows:

	For the Year Ended June 30, 2012			
	Balance July 1, 2011	Transfers and Additions	Transfers and Deletions	Balance June 30, 2012
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,744,712	\$ -	\$ -	\$ 3,744,712
Construction in Progress	3,292,396	5,053,826	1,174,986	7,171,236
Total Capital Assets, Not Being Depreciated	7,037,108	5,053,826	1,174,986	10,915,948
Capital Assets Being Depreciated:				
Buildings	18,685,071	-	208,618 *	18,476,453
Improvements other than buildings	3,090,042	418,829	120,363	3,388,508
Equipment	10,494,858	1,360,115	265,791	11,589,182
Infrastructure	22,907,646	725,809	112,825	23,520,630
Total Capital Assets, Being Depreciated	55,177,617	2,504,753	707,597	56,974,773
Less - Accumulated Depreciation For:				
Buildings	5,432,553	633,820	154,584 *	5,911,789
Improvements other than buildings	1,145,709	202,247	120,363	1,227,593
Equipment	6,723,767	761,308	179,349	7,305,726
Infrastructure	9,306,023	1,148,062	73,670	10,380,415
Total Accumulated Depreciation	22,608,052	2,745,437	527,966	24,825,523
Total Capital Assets, Being Depreciated, Net	32,569,565	(240,684)	179,631	32,149,250
Governmental Activities, Capital Assets, Net	\$ 39,606,673	\$ 4,813,142	\$ 1,354,617	\$ 43,065,198
Business-type Activities:				
Parking Facility:				
Capital Assets Being Depreciated:				
Parking facilities	\$ 2,615,761	\$ -	\$ -	\$ 2,615,761
Equipment	27,085	-	-	27,085
Improvements other than buildings	5,361	-	-	5,361
Total Capital Assets, Being Depreciated	2,648,207	-	-	2,648,207
Less - Accumulated Depreciation For:				
Parking facilities	614,765	43,596	-	658,361
Equipment	12,225	1,712	-	13,937
Improvements other than buildings	1,337	536	-	1,873
Total Accumulated Depreciation	628,327	45,844	-	674,171
Parking Facility, Capital Assets, Net	\$ 2,019,880	\$ (45,844)	\$ -	\$ 1,974,036

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

	For the Year Ended June 30, 2012			
	Balance July 1, 2011	Transfers and Additions	Transfers and Deletions	Balance June 30, 2012
Solid Waste:				
Capital Assets Being Depreciated:				
Buildings	\$ -	\$ 208,618 *	\$ -	\$ 208,618
Equipment	2,270,847	454,989	-	2,725,836
Total Capital Assets, Being Depreciated	2,270,847	663,607	-	2,934,454
Less - Accumulated Depreciation For:				
Buildings	-	160,222 *	-	160,222
Equipment	1,847,129	130,555	-	1,977,684
Total Accumulated Depreciation	1,847,129	290,777	-	2,137,906
Solid Waste, Capital Assets, Net	\$ 423,718	\$ 372,830	\$ -	\$ 796,548
Total Business-type Activities, Capital Assets, Net	\$ 2,443,598	\$ 326,986	\$ -	\$ 2,770,584

* During 2012, the governmental activities transferred capital assets with a cost of \$208,618 and accumulated depreciation of \$154,584 to the Solid Waste Fund.

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

	For The Year Ended June 30, 2012
Governmental Activities	
General Government	\$ 635,222
Public Safety	234,919
Highways and streets, including depreciation of infrastructure assets	1,187,578
Culture and Recreation	492,517
Capital assets held by the City's Internal Service Funds are charged to the various functions based on their usage of assets	195,201
Total Governmental Activities	\$ 2,745,437
Business-Type Activities	
Parking Facility	\$ 45,844
Sanitation	136,193
Total Business-Type Activities	\$ 182,037

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

4. LONG-TERM DEBT

Changes in Long-term Liabilities

Long-term liability activity was as follows:

For the Year Ended June 30, 2012					
	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds, Series 2005	\$ 875,000	\$ -	\$ 205,000	\$ 670,000	\$ 215,000
Special Obligation Bonds, Series 2005	475,000	-	40,000	435,000	40,000
Certificates of Participation:					
Series 2003	3,335,000	-	3,335,000	-	-
Series 2004	4,140,000	-	4,140,000	-	-
Series 2012	-	6,561,000	-	6,561,000	754,700
Total bonds and notes	8,825,000	6,561,000	7,720,000	7,666,000	1,009,700
Compensated Absences	803,814	1,200,207	1,179,384	824,637	733,927
	<u>\$ 9,628,814</u>	<u>\$ 7,761,207</u>	<u>\$ 8,899,384</u>	<u>8,490,637</u>	<u>\$ 1,743,627</u>
Add: Unamortized premium				6,520	
Less: Unamortized discount and deferred amount on refunding				(335,986)	
Total Governmental Activities				<u>\$ 8,161,171</u>	
Business-Type Activities					
Certificates of Participation:					
Series 2003	\$ 585,000	\$ -	\$ 585,000	\$ -	\$ -
Series 2012	-	459,000	-	459,000	70,300
Compensated Absences	29,340	39,344	40,292	28,392	28,392
	<u>\$ 614,340</u>	<u>\$ 498,344</u>	<u>\$ 625,292</u>	<u>487,392</u>	<u>\$ 98,692</u>
Less: Unamortized discount and deferred amount on refunding				(43,620)	
Total Business-Type Activities				<u>\$ 443,772</u>	

Compensated absences are generally liquidated by the General Fund, Internal Service Fund and Enterprise – Solid Waste Fund. Bonds payable are liquidated by the appropriate related fund.

General Obligation Bonds

In June 2005, the City issued \$2,000,000 of general obligation bonds, Series 2005 to fund the costs of renovating and improving City Hall. The 1/2¢ capital improvement sales tax is used to fund the debt service payments. The bonds bear interest at rates ranging from 2.95% to 4.75%.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Special Obligation Bonds

In July 2005, the City issued \$700,000 of special obligation bonds payable for park improvements. The bonds bear interest at rates ranging from 3.5% to 4.5%. The ½ % park and stormwater sales tax is used to fund the debt service payments and is accounted for in the General Fund.

Certificates of Participation

In 2003 the City issued \$6,345,000 Series 2003 Certificates of Participation to refund \$1,140,000 of outstanding Series 1997 Certificates of Participation and to provide \$5,205,000 for park improvements. The Certificates bear interest at rates ranging from 2% to 4.1 %. Interest payments are due each August 1 and February 1, while principal is due each February.

In 2004, the City issued \$6,245,000 Series 2004 Certificates of Participation for capital improvements. The Certificates bear interest at rates ranging from 2.5% to 4.6%.

In 2012, the City issued \$7,020,000 Series 2012 Certificates of Participation to current refund \$3,530,000 outstanding Series 2003 Certificates of Participation and advance refund \$3,815,000 outstanding Series 2004 Certificates of Participation. The Certificates bear interest at rates ranging from .55% to 1.9%. \$459,000 of the Series 2012 COPS are liquidated by the Enterprise – Parking Garage Fund, and the remaining balances are liquidated by the General Fund.

The City used the Series 2012 net proceeds along with other resources to purchase U.S. government securities for the advance refund transaction. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the Series 2004 Certificates of Participation. As a result, that portion of the debt is considered defeased, and the City has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$3,815,000 at June 30, 2012.

The current and advance refunding reduced total debt service payments over the next eight years by \$1.4 million. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt, less existing cash contributed) of \$686,633.

The annual principal and interest requirements on long-term liabilities outstanding as of June 30, 2012 are as follows:

For the Years Ended June 30	Governmental Activities						
	General Obligation		Special Obligation		Certificates of Participation		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2013	\$ 215,000	\$ 22,340	\$ 40,000	\$ 16,573	\$ 754,700	\$ 67,950	\$ 1,116,563
2014	225,000	15,245	45,000	15,072	803,300	71,543	1,175,160
2015	230,000	7,820	45,000	13,498	809,000	66,344	1,171,662
2016	-	-	45,000	11,877	814,000	59,870	930,747
2017	-	-	50,000	10,213	828,000	52,136	940,349
2018-2020	-	-	210,000	18,938	2,552,000	96,061	2,876,999
Total	\$ 670,000	\$ 45,405	\$ 435,000	\$ 86,171	\$ 6,561,000	\$ 413,904	\$ 8,211,480

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

For the Years Ended June 30	Business-Type Activities		
	Principal	Interest	Total
2013	\$ 70,300	\$ 4,186	\$ 74,486
2014	61,700	4,320	66,020
2015	66,000	3,896	69,896
2016	66,000	3,370	69,370
2017	67,000	2,744	69,744
2018-2019	128,000	3,254	131,254
Total	\$ 459,000	\$ 21,770	\$ 480,770

In accordance with the issuance of the Certificates and the related trust indenture, the trustee established and maintained accounts that are included with cash and investments restricted in the basic financial statements.

Legal Debt Margin

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

Assessed valuation - 2011 tax year	<u>\$ 595,200,410</u>
Debt limit - 10% of assessed valuation	<u>59,520,041</u>
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	670,000
Less: Amount available in debt service fund	<u>(260,561)</u>
Bond indebtedness applicable to debt limit	<u>409,439</u>
Legal debt margin	<u><u>\$ 59,110,602</u></u>

5. EMPLOYEE RETIREMENT BENEFIT PLANS

The City maintains two single-employer defined benefit pension plans. The Plans and plan provisions are established by ordinances of the City in accordance with Missouri State Statutes. Contribution requirements are established by City Ordinance. The Plans do not issue separate stand-alone financial reports. The City's total payroll for the year ended June 30, 2012 was \$14,315,929. Net pension obligations are generally liquidated by the General Fund. The combined total of the actuarial accrued liability and actuarial value of assets for the Plans are as follows:

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

	Non-Uniformed Employees	Uniformed Employees	
	January 1, 2012	January 1, 2012	Total
Actuarial value of assets	\$ 17,114,841	\$ 26,498,027	\$ 43,612,868
Actuarial accrued liability	22,115,047	31,227,437	53,342,484
Assets In Excess of Accrued Liability (Unfunded AAL)	<u>\$ (5,000,206)</u>	<u>\$ (4,729,410)</u>	<u>\$ (9,729,616)</u>

A. Non-Uniformed Employees' Retirement Fund

Plan Description and Provisions

The City sponsors and administers a single-employer defined benefit pension plan (the Plan) which covers substantially all full-time employees not covered under the Police and Firemen's Retirement Fund. Current membership in the Plan is as follows:

<u>Group</u>	<u>January 1, 2012</u>
Retirees and beneficiaries currently receiving benefits	59
Vested terminated employees	31
Active employees:	
Fully vested	70
Nonvested	<u>65</u>
Total	<u>225</u>

Employees become eligible to participate in the Plan upon full-time employment. Employees are required to contribute 3% of annual salary to the Plan. Employees contributed \$194,902 to their investment accounts for the year ended June 30, 2012. All benefits vest after 10 years of credited service in the form of a life annuity payable monthly. Employees attaining the age of 65 or the age of 62 with 30 years of credited service are entitled to the normal retirement benefit. The Plan permits early retirement at the completion of 20 years of credited service and attainment of age 55.

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2012
Actuarial cost method	Entry age (normal)
Amortization method	Level dollar
Amortization period open	30 years
Asset valuation method	Expected actuarial value, plus 20% of the difference between expected and actual values

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Actuarial Assumptions:	
Investment rate of return	6.5%
Projected salary increases	3%
Inflation rate	N/A
Post-retirement benefit increases	N/A

Annual Pension Cost

Current year annual pension costs for the Plan are shown in the table below. Annual required contributions were made by the Plan. There is no net pension obligation for the Plan. Unless otherwise indicated, information is provided as of the latest actuarial valuation, January 1, 2012.

Pension Plan			
Valuation For The Actuarial Years Ended June 30	Annual Pension Cost	Percentage Contributed	Net Pension Obligation (Asset)
2012	\$ 597,437	91.2%	\$ (732,711)
2011	570,871	205.0%	(793,161)
2010	592,789	100.0%	(199,107)
2009	526,484	92.0%	(199,215)
2008	501,746	112.0%	(244,515)
2007	439,383	135.0%	(184,123)
2006	189,460	114.0%	(31,903)

Valuation For The Actuarial Years Ended June 30	Net Pension Obligation (Asset) Beginning of Year	Annual Required Contribution	Interest on Net Pension Obligation (Asset)	Adjustment To Annual Required Contribution	Annual Pension Cost	Actual Contributions	Net Pension Obligation (Asset) End of Year
2012	\$ (793,161)	\$ 588,904	\$ (51,555)	\$ (60,088)	\$ 597,437	\$ 536,987	\$ (732,711)
2011	(199,107)	568,943	(12,942)	(14,870)	570,871	1,164,925	(793,161)
2010	(199,215)	591,057	(12,949)	(14,681)	592,789	592,681	(199,107)
2009	(244,515)	524,594	(15,893)	(17,783)	526,484	481,184	(199,215)
2008	(184,123)	500,477	(11,968)	(13,237)	501,746	562,138	(244,515)
2007	(31,903)	437,974	(2,074)	(3,483)	439,383	591,603	(184,123)
2006	(5,063)	189,262	(329)	(527)	189,460	216,300	(31,903)

Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation, the plan was 77.4% funded. The actuarial accrued liability for benefits was \$22.1 million, and the actuarial value of assets was \$17.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.0 million. The covered payroll was \$6.3 million, and the ratio of the UAAL to the covered payroll was 78.9%.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Historical trend information about the Plan is presented as required supplementary information. This information is intended to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other Public Employee Retirement Systems (PERS).

B. City of University City Police and Firemen's Retirement Fund

Plan Description and Provisions

Under City Ordinance, the City established a single-employer defined benefit pension plan, City of University City Police and Firemen's Retirement Fund (the Plan), that provides pension, disability, and death benefits. Current membership in the Plan is as follows:

<u>Group</u>	<u>January 1, 2012</u>
Retirees and beneficiaries currently receiving benefits	88
Vested terminated employees	8
Active employees:	
Fully vested	54
Nonvested	<u>64</u>
Total	<u>214</u>

Each employee who is employed by the City as a police officer or firefighter must participate in the Plan on the date the employee becomes a police officer or firefighter. Employees are not required to contribute to the defined benefit portion of the Plan. Employees who retire after the attainment of age 50 and 20 years of service are entitled to retirement benefits in the form of a life annuity payable monthly.

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2012
Actuarial cost method	Entry age (normal)
Amortization method	Level Dollar
Amortization period - open	30 years
Asset valuation method	Expected actuarial value, plus 20% of the difference between expected and actual values

Actuarial assumptions:	
Investment rate of return	6.5%
Projected salary increases	3%
Inflation rate	N/A
Post-retirement benefit increases	N/A

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Annual Pension Cost

Current year annual pension costs for the Plan are shown in the table below. Annual required contributions were made by the Plan. There is no net pension obligation for the Plan. Unless otherwise indicated, information is provided as of the latest actuarial valuation, January 1, 2012.

Pension Plan							
Valuation For The Actuarial Years Ended June 30	Annual Pension Cost	Percentage Contributed	Net Pension Obligation				
2012	\$ 967,971	97.2%	\$ (976,246)				
2011	827,335	120.9%	(1,002,939)				
2010	727,636	134.2%	(830,274)				
2008	544,259	173.6%	(618,435)				
2007	457,673	202.3%	(233,666)				
2006	252,338	0.0%	252,303				

Valuation For The Actuarial Years Ended June 30	Net Pension Obligation (Asset) Beginning of Year	Annual Required Contribution	Interest on Net Pension Obligation (Asset)	Adjustment To Annual Required Contribution	Annual Pension Cost	Actual Contri- butions	Net Pension Obligation (Asset) End of Year
2012	\$ (1,002,939)	\$ 910,703	\$ (65,191)	\$ (122,459)	\$ 967,971	\$ 941,278	\$ (976,246)
2011	(830,274)	785,759	(53,968)	(95,544)	827,335	1,000,000	(1,002,939)
2010	(618,435)	700,319	(40,198)	(67,515)	727,636	939,475	(830,274)
2009	(233,666)	535,107	(15,188)	(24,340)	544,259	929,028	(618,435)
2008	252,303	466,478	16,400	25,205	457,673	943,642	(233,666)
2007	-	252,338	-	-	252,338	35	252,303

Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation, the plan was 84.9% funded. The actuarial accrued liability for benefits was \$31.2 million, and the actuarial value of assets was \$26.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.7 million. The covered payroll was \$7.98 million, and the ratio of the UAAL to the covered payroll was 59.3%.

Historical trend information about the Plan is presented as required supplementary information. This information is intended to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other PERS.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Effective July 1, 2001, all member contributions began to be deposited in the member's individual investment account and a transfer was made from the defined benefit portion of the fund into the member's individual investment accounts. The amount of the transfer equaled 1) all prior contributions accumulated at 7% plus 2) the actuarial present value of a member's accrued benefits in excess of his accumulated contributions at the time the member completed ten years of service, less 3) the member's pre-1988 contributions. Employees are required to contribute 5% of their salary. The individual investment accounts are invested at the member's direction and are vested 100%. Employees contributed \$398,807 to their investment accounts for the year ended June 30, 2012.

The condensed statement of fiduciary net assets is as follows:

	June 30, 2012		
	Police and Firemen's Retirement Fund	Non-Uniformed Employees' Retirement Fund	Total
ASSETS			
Cash and investments:			
Common stock	\$ 10,857,085	\$ 8,048,515	\$ 18,905,600
U.S. government securities	1,909,349	1,317,651	3,227,000
Corporate bonds	4,979,941	3,509,702	8,489,643
Mutual funds	2,947,347	1,643,594	4,590,941
Cash and money market accounts	2,979,834	1,950,156	4,929,990
Total Cash and Investments	23,673,556	16,469,618	40,143,174
Interest Receivable	86,032	61,614	147,646
Total Assets	23,759,588	16,531,232	40,290,820
LIABILITIES			
Accounts payable	12,823	18,652	31,475
Due to other funds	1,109,676	912,208	2,021,884
Deferred revenue	-	536,987	536,987
Other liabilities	-	19,335	19,335
Total Liabilities	1,122,499	1,487,182	2,609,681
NET ASSETS			
Held in trust for pension benefits	\$ 22,637,089	\$ 15,044,050	\$ 37,681,139

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

The condensed statement of changes in fiduciary net assets is as follows:

	For The Year Ended June 30, 2012		
	Police and Firemen's Retirement Fund	Non-Uniformed Employees' Retirement Fund	Total
ADDITIONS			
Contributions:			
Employee	\$ -	\$ 194,902	\$ 194,902
Employer	961,476	545,093	1,506,569
Total Contributions	961,476	739,995	1,701,471
Investment Income:			
Net appreciation in fair value of investments and interest and dividends	1,024,924	1,329,446	2,354,370
Total Additions	1,986,400	2,069,441	4,055,841
DEDUCTIONS			
Benefits	1,913,240	1,051,405	2,964,645
Refund of contributions	-	80,683	80,683
Administrative	464,574	96,241	560,815
Total Deductions	2,377,814	1,228,329	3,606,143
CHANGE IN NET ASSETS	(391,414)	841,112	449,698
NET ASSETS, JULY 1	23,028,503	14,202,938	37,231,441
NET ASSETS, JUNE 30	\$ 22,637,089	\$ 15,044,050	\$ 37,681,139

6. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City provides healthcare benefits to employees who are eligible to retire once they have attained age 55 plus 20 years of service or age 62 and their spouses and police who are eligible to retire once they have attained age 50 plus 20 years of service or age 62. Employees and spouses must be on the plan at time of retirement to be eligible to participate in the plan after retirement. Medical and prescription drug benefits are available to retirees in the City's insurance plan. Retirees must contribute \$472.14/\$1,369.20 per month for single/family coverage, Retirees who retire after age 62 with 30 years of service contribute \$70.82 per month for self-coverage and \$453.98 per month for dependent. Coverage stops at age 65. No life insurance coverage is provided. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities. The latest actuarial valuation was dated January 1, 2012. The City's annual OPEB cost for the current year and the related information are as follows:

	For The Year Ended June 30, 2012
Annual required contributions	\$ 86,078
Interest on net OPEB obligation	2,086
Adjustment to ARC	(3,010)
Annual OPEB Cost	85,154
Contributions made	(26,812)
Increase in Net OPEB Obligations	58,342
Net OPEB obligation at June 30, 2011	52,159
Net OPEB Obligation Expected at June 30, 2012	<u>\$ 110,501</u>

The net OPEB obligation is generally liquidated by the General Fund. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010, 2011 and 2012 are as follows:

Fiscal Year Ended June 30,	Annual Required OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset) Obligation
2010	\$ 78,478	66.5%	\$ 26,298
2011	\$ 78,041	66.9%	\$ 52,159
2012	\$ 85,154	31.5%	\$ 110,501

The Plan was established by City Ordinance, which assigned the authority to establish and amend plan benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City.

Significant actuarial assumptions used in the valuation are as follows:

Valuation method	Projected unit credit
Latest valuation date	January 1, 2011
Discount rate	4% per annum, compounded annually
Amortization - open	15 years for initial unfunded actuarial accrued liability
Payroll inflation	N/A
Mortality	RP2000 Blended Mortality Table
Medical premium rates	11% initial rate; 5.5% ultimate rate

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

Funded Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$595,265, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$595,265. The covered payroll (annual payroll of active employees covered by the plan) was \$14.3 million, and the ratio of the UAAL to the covered payroll was 4.2%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

7. DUE FROM AND DUE TO OTHER FUNDS

Interfund assets and liabilities balances are as follows:

June 30, 2012			
Receivable		Payable	Amount
Major Governmental Funds:			
General	Internal Service	\$	60,728
General	Police and Firemen's Retirement		1,103,067
General	Non-Uniform Employees Retirement		911,975
General	Nonmajor fund - Debt Service		413,253
General	Enterprise - Parking Garage		215,141
General	Enterprise - Solid Waste		527
General	Major - Library		1,045,847
General	Nonmajor fund - CALOP		5,938
General	Major fund - Grant		1,205,235
Library	Police and Firemen's Retirement		6,609
Library	Non-Uniform Employees Retirement		119
Library	Nonmajor fund - Debt Service		1,451
Grants	Internal Service		21,999
			4,991,889
Nonmajor Governmental Funds:			
Sewer Lateral	General		247,624
Economic Development	General		13,581
Loop Special Business District	General		19,888
Parkview Gardens Special Business District	General		6,230
			287,323
Major Enterprise Funds:			
Enterprise - Solid Waste	Non-Uniform Employee's Retirement		114
			114
Internal Service Fund:			
Internal Service	Library		1,048
Internal Service	Enterprise - Solid Waste		770,587
			771,635
Total		\$	6,050,961

All of these interfund balances are generally due to either timing differences between the various funds or negative cash balances. All interfund balances are expected to be repaid during the fiscal year ending June 30, 2013.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

8. INTERFUND TRANSFERS

Individual fund transfers are as follows:

Transfers From	Transfers To	For The Year Ended June 30, 2012
Library - Major Fund	General - Major Fund	\$ 4,000
Olive Central TIF - Major Fund	General - Major Fund	2,854,700
Capital Project - Nonmajor Fund	General - Major Fund	1,454,915
General - Major Fund	Enterprise - Parking Garage	1,995
Internal Service	Enterprise - Solid Waste	54,034
Total		\$ 4,369,644

During the year ended June 30, 2012, the Olive Central TIF District was dissolved and the assets were transferred to the General Fund who is now accounting for that activity. The purpose of the transfer from the Capital Projects Fund was to move the debt reserve restricted assets to the General Fund that is responsible for paying the related debt. Other interfund transfers were used to move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, or reimburse other funds for certain expenditures.

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City, along with various other local governments, participates in an insurance trust for medical, workers' compensation and general liability matters (St. Louis Area Insurance Trust - SLAIT). The purpose of this trust is to distribute the cost of self-insurance over similar entities.

The trust requires an annual premium payment by each entity to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust; however, the City retains a contingent liability to fund its pro rata share of any deficit incurred by the trust should the trust cease operations at some future date. The trust has contracted with an insurance agent to handle all administrative matters, including processing of claims filed.

The City also purchases commercial insurance to cover risks related to travel, public official liability, earthquakes, flooding, and employee blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

10. CONTINGENCIES

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 these legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

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.

11. RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$5,245,736 of restricted net assets, of which \$4,269,799 is restricted by enabling legislation.

12. TAX INCREMENT REVENUES

The City has pledged a portion of future tax revenues to finance certain improvements in the City. The amounts are payable solely from the incremental taxes generated by increased assessed property values in the improved area. For the current year, the City's amount paid and total incremental tax revenues were \$51,546 and \$299,866 respectively.

13. ENCUMBRANCES

The following encumbrances were outstanding as of June 30, 2012:

Fund	Amount
General	\$ 1,308,934
Nonmajor Special Revenue Funds	488,704
Total	<u><u>\$ 1,797,638</u></u>

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

14. CONDUIT DEBT

On November 1, 2003, the City issued \$5,800,000 principal amount of Industrial Development Revenue Bonds (Winco Redevelopment Corporation, Inc. Project) Series 2003, for the purpose of providing funds to pay the costs of acquiring, constructing, furnishing and equipping an approximately 79,500 square foot manufacturing facility, an approximately 5,930 square foot building attached to the new manufacturing building, and the purchase and installation of manufacturing equipment, all on land located in the City and deemed to be in the public interest. These bonds are secured by the property financed and are payable solely by the company. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State of Missouri, nor any political subdivision thereof are obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

At June 30, 2012, \$2,985,000 of these Industrial Revenue Bonds remain outstanding.

15. 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. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset. The requirements of this Statement are effective for periods beginning after June 15, 2012.

In December 2010, the GASB issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the private sector standards issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for periods beginning after December 15, 2011.

In June 2011, the GASB issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The requirements of this Statement are effective for periods beginning after December 15, 2011.

CITY OF UNIVERSITY CITY, MISSOURI

Notes to Basic Financial Statements (Continued)

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

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

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

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

Required Supplementary Information

CITY OF UNIVERSITY CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
General Taxes				
Current real estate taxes	\$ 2,884,600	\$ 2,884,600	\$ 2,947,537	\$ 62,937
Delinquent real estate taxes	105,000	105,000	82,727	(22,273)
Current personal property taxes	370,000	370,000	334,823	(35,177)
Delinquent personal property taxes	45,000	45,000	28,368	(16,632)
Railroad and utility taxes	70,000	70,000	101,541	31,541
Interest and penalties	300	300	225	(75)
Intangible property	6,500	6,500	-	(6,500)
Sales tax	7,970,000	8,490,000	8,558,643	68,643
Gross receipts tax:				
Electric	2,463,140	2,463,140	2,450,386	(12,754)
Gas	1,746,000	1,476,000	1,447,675	(28,325)
Water	426,000	426,000	462,306	36,306
Telephone	1,926,000	1,726,000	1,755,459	29,459
Cable television	365,000	365,000	417,606	52,606
Local option use tax	340,000	340,000	381,385	41,385
Total General Taxes	18,717,540	18,767,540	18,968,681	201,141
Charges for services	2,616,500	2,616,500	2,801,028	184,528
Intergovernmental				
Gasoline and vehicle sales taxes	1,390,000	1,390,000	1,321,960	(68,040)
Road and bridge tax	610,000	610,000	625,033	15,033
Cigarette tax	106,000	106,000	109,478	3,478
Total Intergovernmental	2,106,000	2,106,000	2,056,471	(49,529)
Licenses, Permits, Fines, and Fees				
Business licenses	410,000	410,000	445,767	35,767
Motor vehicle licenses	146,000	146,000	140,257	(5,743)
Animal licenses	4,000	4,000	4,774	774
Liquor licenses	30,500	30,500	36,391	5,891
General and building inspections	655,000	655,000	695,599	40,599
Excavation inspection fees	19,000	19,000	21,371	2,371
Parking meter collections	125,000	125,000	170,965	45,965
Fines	850,000	850,000	936,734	86,734
Court costs	165,000	165,000	139,785	(25,215)
Miscellaneous court costs	5,300	5,300	2,759	(2,541)
Bond forfeiture	20,000	20,000	25,662	5,662
Police training	15,000	15,000	13,076	(1,924)
Drug vice and liquor investigating	5,000	5,000	216	(4,784)
Total Licenses, Permits, Fines, and Fees	2,449,800	2,449,800	2,633,356	183,556
Investment income	99,000	99,000	98,359	(641)
Other	84,000	84,000	156,031	72,031
Total Revenues	26,072,840	26,122,840	26,713,926	591,086

CITY OF UNIVERSITY CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government				
Legislative Services:				
Personal services	116,852	116,852	93,419	23,433
Contractual services	123,347	123,347	76,918	46,429
Commodities	37,775	37,775	29,449	8,326
Total Legislative Services	277,974	277,974	199,786	78,188
Human Resources:				
Personal services	164,348	146,348	75,590	70,758
Contractual services	64,715	82,715	44,580	38,135
Commodities	10,250	10,250	5,752	4,498
Total Human Resources	239,313	239,313	125,922	113,391
General Administration:				
Personal services	280,620	259,620	251,815	7,805
Contractual services	456,568	477,568	356,333	121,235
Commodities	3,300	3,300	8,566	(5,266)
Total General Administration	740,488	740,488	616,714	123,774
Information Technology				
Personal services	-	-	(112)	112
Contractual services	506,224	543,224	509,790	33,434
Commodities	68,500	29,000	19,790	9,210
Capital outlay	91,000	93,500	52,470	41,030
Total Information Technology	665,724	665,724	581,938	83,786
Municipal Court:				
Personal services	292,490	274,990	255,345	19,645
Contractual services	69,729	87,229	56,311	30,918
Commodities	3,400	3,400	1,855	1,545
Total Municipal Court	365,619	365,619	313,511	52,108
Finance Operations:				
Personal services	624,407	563,407	524,357	39,050
Contractual services	155,978	171,978	145,886	26,092
Commodities	52,675	52,675	31,848	20,827
Total Finance Operations	833,060	788,060	702,091	85,969
Maintenance of City Property:				
Personal services	217,253	217,253	234,168	(16,915)
Contractual services	290,620	332,520	322,771	9,749
Commodities	29,900	29,900	22,148	7,752
Capital outlay	35,000	35,000	17,813	17,187
Total Maintenance of City Property	572,773	614,673	596,900	17,773

CITY OF UNIVERSITY CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Community Development:				
Personal services	1,258,845	1,258,845	1,280,142	(21,297)
Contractual services	147,400	147,400	117,684	29,716
Commodities	102,300	102,300	10,871	91,429
Capital outlay	-	539,000	495,604	43,396
Total Community Development	1,508,545	2,047,545	1,904,301	143,244
Total General Government	5,203,496	5,739,396	5,041,163	698,233
Public Safety				
Police Department:				
Personal services	6,748,647	6,693,647	6,591,189	102,458
Contractual services	730,991	730,991	666,860	64,131
Commodities	114,230	114,230	79,608	34,622
Total Police Department	7,593,868	7,538,868	7,337,657	201,211
Fire Department:				
Personal services	3,661,435	3,641,435	3,568,866	72,569
Contractual services	437,877	457,877	366,494	91,383
Commodities	136,772	136,772	115,412	21,360
Capital outlay	57,000	57,000	55,776	1,224
Total Fire Department	4,293,084	4,293,084	4,106,548	186,536
Total Public Safety	11,886,952	11,831,952	11,444,205	387,747
Public Works and Parks				
Engineering:				
Personal services	580,715	580,715	495,554	85,161
Contractual services	71,255	71,255	22,920	48,335
Commodities	14,580	14,580	9,135	5,445
Total Engineering	666,550	666,550	527,609	138,941
Street Maintenance:				
Personal services	796,947	761,647	721,220	40,427
Contractual services	1,307,650	1,319,650	1,045,115	274,535
Commodities	167,585	167,585	154,798	12,787
Capital outlay	600,160	646,660	667,073	(20,413)
Total Street Maintenance	2,872,342	2,895,542	2,588,206	307,336
Park Maintenance:				
Personal services	-	287,800	310,273	(22,473)
Contractual services	-	-	(1,582)	1,582
Total Park Maintenance	-	287,800	308,691	(20,891)
Total Public Works and Parks	3,538,892	3,849,892	3,424,506	425,386

CITY OF UNIVERSITY CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Culture and Recreation				
Maintenance Administration and Forestry:				
Personal services	1,307,439	1,011,489	978,092	33,397
Contractual services	553,405	548,305	460,824	87,481
Commodities	99,585	99,585	54,691	44,894
Capital outlay	64,600	6,100	(5,810)	11,910
Total Maintenance Administration and Forestry	2,025,029	1,665,479	1,487,797	177,682
Golf Course:				
Personal services	283,782	251,282	231,242	20,040
Contractual services	157,809	161,409	147,567	13,842
Commodities	113,900	113,200	117,635	(4,435)
Capital outlay	24,500	24,500	22,507	1,993
Total Golf Course	579,991	550,391	518,951	31,440
Community Center:				
Personal services	63,270	93,270	112,353	(19,083)
Contractual services	47,970	38,970	31,700	7,270
Commodities	13,950	9,950	3,213	6,737
Total Community Center	125,190	142,190	147,266	(5,076)
Aquatics:				
Personal services	150,010	168,410	160,463	7,947
Contractual services	72,138	101,138	87,987	13,151
Commodities	40,559	40,559	46,102	(5,543)
Total Aquatics	262,707	310,107	294,552	15,555
Recreation Facility:				
Personal services	515,126	450,326	433,605	16,721
Contractual services	277,230	262,730	243,286	19,444
Commodities	66,282	74,332	43,613	30,719
Capital outlay	274,167	291,167	148,816	142,351
Total Recreation Facility	1,132,805	1,078,555	869,320	209,235
Total Culture and Recreation	4,125,722	3,746,722	3,317,886	428,836

CITY OF UNIVERSITY CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Debt Service				
Principal	670,000	670,000	926,940	(256,940)
Interest and fiscal charges	411,000	369,100	783,169	(414,069)
Total Debt Service	<u>1,081,000</u>	<u>1,039,100</u>	<u>1,710,109</u>	<u>(671,009)</u>
Total Expenditures	<u>25,836,062</u>	<u>26,207,062</u>	<u>24,937,869</u>	<u>1,269,193</u>
REVENUES OVER (UNDER) EXPENDITURES	236,778	(84,222)	1,776,057	1,860,279
OTHER FINANCING SOURCES (USES)				
Issuance of refunding debt	-	-	6,561,000	6,561,000
Payment to escrow agent	-	-	(6,436,256)	(6,436,256)
Transfers in	4,000	4,000	4,311,620	4,307,620
NET CHANGE IN FUND BALANCE	<u>\$ 240,778</u>	<u>\$ (80,222)</u>	<u>6,212,421</u>	<u>\$ 6,292,643</u>
ADJUSTMENT TO RECONCILE TO GAAP BASIS				
Current year encumbrances			1,301,134	
Prior year encumbrances			(1,709,085)	
Non budgetary activity			<u>131,112</u>	
Total Adjustment To Reconcile To GAAP Basis			<u>(276,839)</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS			5,935,582	
FUND BALANCE, JULY 1			<u>17,230,080</u>	
FUND BALANCE, JUNE 30			<u>\$ 23,165,662</u>	

CITY OF UNIVERSITY CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LIBRARY FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
General taxes:				
Current real estate taxes	\$ 1,263,000	\$ 1,263,000	\$ 1,262,120	\$ (880)
Delinquent real estate taxes	30,000	30,000	38,938	8,938
Current personal property taxes	165,000	165,000	135,170	(29,830)
Delinquent personal property taxes	15,000	15,000	12,655	(2,345)
Railroad and other utilities	22,000	22,000	25,177	3,177
Interest and penalties	400	400	11	(389)
Total General Taxes	1,495,400	1,495,400	1,474,071	(21,329)
Intergovernmental:				
Grants	79,467	79,467	83,360	3,893
Licenses, permits, fines, and fees:				
Fines on delinquent books	63,000	63,000	70,640	7,640
Investment income	5,000	5,000	18,186	13,186
Other	60,350	60,350	73,464	13,114
Total Revenues	1,703,217	1,703,217	1,719,721	16,504
EXPENDITURES				
Culture and recreation:				
Personal services	1,177,360	1,177,360	1,168,311	9,049
Contractual services	194,999	194,999	199,108	(4,109)
Commodities	285,500	285,500	298,344	(12,844)
Total Expenditures	1,657,859	1,657,859	1,665,763	(7,904)
REVENUES OVER (UNDER) EXPENDITURES	45,358	45,358	53,958	8,600
OTHER FINANCING USES				
Transfers out	(4,000)	(4,000)	(4,000)	-
NET CHANGE IN FUND BALANCE	\$ 41,358	\$ 41,358	49,958	\$ 8,600
FUND BALANCE, JULY 1			1,123,195	
FUND BALANCE, JUNE 30			\$ 1,173,153	

CITY OF UNIVERSITY CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
OLIVE CENTRAL TIF DISTRICT FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General taxes:				
Current real estate taxes	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Other	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
General government:				
Contractual services	40,600	40,600	-	40,600
TOTAL EXPENDITURES	<u>40,600</u>	<u>40,600</u>	<u>-</u>	<u>40,600</u>
REVENUES OVER EXPENDITURES	(40,600)	(40,600)	-	40,600
OTHER FINANCING USES				
Transfers out	-	-	(2,854,700)	(2,854,700)
NET CHANGE IN FUND BALANCE	<u>\$ (40,600)</u>	<u>\$ (40,600)</u>	<u>(2,854,700)</u>	<u>\$ (2,814,100)</u>
FUND BALANCES - BEGINNING OF YEAR			<u>2,854,700</u>	
FUND BALANCES - END OF YEAR			<u>\$ -</u>	

CITY OF UNIVERSITY CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
GRANTS FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,850,511	\$ 4,665,253	\$ 4,621,739	\$ (43,514)
EXPENDITURES				
General government:				
Personal services	262,557	262,557	253,818	8,739
Contractual services	130,000	467,081	347,865	119,216
Commodities	-	47,119	69,766	(22,647)
Capital outlay	2,457,954	3,888,496	3,765,017	123,479
Total Expenditures	2,850,511	4,665,253	4,436,466	228,787
NET CHANGE IN FUND BALANCE	\$ -	\$ -	185,273	\$ 185,273
ADJUSTMENT TO RECONCILE TO GAAP BASIS				
Current year encumbrances			294,500	
Prior year encumbrances			(941,475)	
Total Adjustment To Reconcile To GAAP Basis			(646,975)	
NET CHANGE IN FUND BALANCE - GAAP BASIS			(461,702)	
FUND BALANCE, JULY 1			44,845	
FUND BALANCE, JUNE 30			\$ (416,857)	

CITY OF UNIVERSITY CITY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION JUNE 30, 2012

Explanation of Budgetary Process

The City Council follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

- a. City department directors prepare departmental operating budgets and the Director of Finance makes revenue projections on or before January 31.
- b. Departmental meetings are conducted during the month of February with the City Manager and the Director of Finance to allow the departments to support their budgets.
- c. Preliminary budget summaries of revenues and expenditures/expenses are prepared for review by the City Manager.
- d. Final budget decisions are made by the City Manager by March 25.
- e. A proposed budget is submitted to the City Council by May 1.
- f. A public hearing to obtain taxpayer comments on the budget is held by the City Council during the month of May.
- g. Prior to July 1, the budget is legally enacted. Projected expenditures cannot exceed estimated revenues plus fund balances at the beginning of the year.
- h. Budgetary control is exercised by the City Council at the department and fund levels. This is the legal level of control. All unexpended appropriations lapse at year-end.

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles, except that encumbered amounts are treated as expenditures for budgetary purposes.

The budgeted amounts included in the basic financial statements are as originally adopted or amended by the City Council, pursuant to State Statutes. The City Manager may approve the transfer of any unencumbered appropriation balance or portion thereof from one classification of expenditures to another within a department and fund under \$25,000. At the request of the City Manager, the City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another. No transfer shall be made of specified fixed appropriations. The City Council adopts annual budgets for the General Fund, Library Fund, Olive Central Tax Increment Financing District Fund, Grants Fund, Solid Waste Fund, CALOP Fund, LOOP SBD Fund, Parkview Gardens SBD Fund, Sewer Lateral Fund, Economic Development Fund, and Debt Service Fund.

For the year ended June 30, 2012, actual expenditures exceeded those budgeted in the Library Fund and the Parkview Gardens SBD Fund. In addition, the General Fund budget was not amended to reflect the debt refunding transaction as discussed in Note 4.

CITY OF UNIVERSITY CITY, MISSOURI**REQUIRED SUPPLEMENTARY INFORMATION
NONUNIFORMED EMPLOYEES RETIREMENT SYSTEM
JUNE 30, 2012****Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2003	\$ 13,829,486	\$ 12,377,714	\$ (1,451,772)	111.7%	\$ 6,817,384	-21.3%
2004	14,263,167	13,679,105	(584,062)	104.3%	7,134,736	8.2%
2005	14,611,908	14,259,596	(352,312)	102.5%	7,309,807	4.8%
2006	15,033,711	16,004,905	971,194	93.9%	7,558,899	12.8%
2007	15,866,169	18,839,339	2,973,170	84.2%	7,550,679	39.4%
2008	16,666,460	19,079,621	2,413,161	87.4%	7,170,649	33.7%
2009	16,286,201	20,096,937	3,810,736	81.0%	7,044,829	54.1%
2010	16,606,524	20,803,095	4,196,571	79.8%	7,005,280	59.9%
2011	17,009,021	20,602,237	3,593,216	82.6%	6,378,689	56.3%
2012	17,114,841	22,115,047	5,000,206	77.4%	6,339,796	78.9%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Actual Contribution*	Percentage Contributed
2005	\$ -	\$ -	-
2006	189,262	216,300	114.3%
2007	437,974	591,603	135.1%
2008	500,477	562,138	112.3%
2009	524,594	481,184	91.7%
2010	591,057	592,681	100.3%
2011	568,943	1,164,925	204.8%
2012	588,904	536,987	91.2%

* Includes receivable contributions

CITY OF UNIVERSITY CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
POLICE AND FIREFIGHTER EMPLOYEES RETIREMENT SYSTEM
JUNE 30, 2012**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2003	\$ 31,405,211	\$ 23,458,736	\$ (7,946,475)	133.9%	\$ 6,412,500	-123.9%
2004	31,169,025	22,979,435	(8,189,590)	135.6%	6,704,838	-122.1%
2005	30,959,774	25,847,033	(5,112,741)	119.8%	7,504,292	-68.1%
2006	30,243,209	27,145,396	(3,097,813)	111.4%	7,386,015	-41.9%
2007	29,758,856	28,556,549	(1,202,307)	104.2%	7,568,116	-15.9%
2008	30,236,680	28,645,117	(1,591,563)	105.6%	7,330,136	-21.7%
2009	29,228,531	29,741,267	512,736	98.3%	7,222,540	7.1%
2010	28,348,148	30,673,101	2,324,953	92.4%	7,354,865	31.6%
2011	27,560,836	30,114,105	2,553,269	91.5%	7,676,313	33.3%
2012	26,498,027	31,227,437	4,729,410	84.9%	7,976,133	59.3%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Actual Contribution*	Percentage Contributed
2006	\$ -	\$ -	0.0%
2007	252,338	35	0.0%
2008	466,478	943,642	202.3%
2009	535,107	929,028	173.6%
2010	700,319	939,475	134.1%
2011	785,759	1,000,000	127.3%
2012	910,703	941,278	103.4%

* Includes receivable contributions

CITY OF UNIVERSITY CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2012**

Schedule of Funding Process

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (2)	Unfunded Accrued Liability (UAAL) (1)- (2)	Funded Ratio (1)/(2)	Covered Payroll	UAAL as a Percentage of Covered Payroll
				(2)			
2009	1/1/2009	\$ -	\$ 576,219	\$ 576,219	0%	\$ 14,267,369	4.0%
2010	1/1/2009	-	576,219	576,219	0%	14,360,145	4.0%
2011	1/1/2011	-	595,265	595,265	0%	14,055,002	4.2%
2012	1/1/2011	-	595,265	595,265	0%	14,315,929	4.2%

Schedule of Employer Contribution

For The Year Ended June 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
2009	\$ 78,478	\$ 52,180	66.5%
2010	78,478	52,180	66.5%
2011	78,041	52,180	66.9%
2012	86,078	26,812	31.1%

Other Supplementary Information

CITY OF UNIVERSITY CITY, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Committee for Access and Local Origination Programming (CALOP) -- This fund was established to account for revenues and expenditures for studies of the educational and cultural programming needs of the City and encouraging the development of programs to meet those needs.

University City Loop Special Business District -- The City has established this fund to account for revenues and expenditures related to promoting retail trade activities and enhancing the environment of a Special Business District (SBD) of the City, referred to as the Loop.

Parkview Gardens Special Business District -- The City established this fund in fiscal 1997 to account for revenues and expenditures related to enhancing the environment of a SBD of the City.

Sewer Lateral -- The City established this fund to account for revenues and expenditures related to sewer lateral repairs.

Economic Development -- The City established this fund to promote economic development through economic sales tax.

Pension Tax -- The City established this fund to account for revenues and expenditures related to taxes for the pension plan.

Debt Service Fund

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

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary fund types).

CITY OF UNIVERSITY CITY, MISSOURI

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	Special Revenue								Total
	CALOP	Loop SBD	Parkway Gardens SBD	Sewer Lateral	Economic Development	Pension Tax	Debt Service	Capital Projects	
ASSETS									
Cash and investments:	\$ 470,172	\$ 77,504	\$ 75,957	\$ 994,762	\$ 1,545,247	\$ -	\$ 671,824	\$ -	\$ 3,835,466
Receivables:									
Taxes	-	-	8,982	-	79,167	82,042	15,411	-	185,602
Other	-	-	-	8,576	-	-	3,441	-	12,017
Due from other funds	-	19,888	6,230	247,624	13,581	-	-	-	287,323
TOTAL ASSETS	\$ 470,172	\$ 97,392	\$ 91,169	\$ 1,250,962	\$ 1,637,995	\$ 82,042	\$ 690,676	\$ -	\$ 4,320,408
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 2,000	\$ -	\$ -	\$ 25,790	\$ 54,977	\$ -	\$ -	\$ -	\$ 82,767
Due to other funds	5,938	-	-	-	-	-	414,704	-	420,642
Deposits	1,719	-	-	-	-	-	-	-	1,719
Deferred revenue	-	-	-	-	-	82,042	15,411	-	97,453
TOTAL LIABILITIES	9,657	-	-	25,790	54,977	82,042	430,115	-	602,581
FUND BALANCES									
Restricted for:									
Special business districts	-	97,392	91,169	-	-	-	-	-	188,561
Sewer lateral	-	-	-	1,225,172	-	-	-	-	1,225,172
Economic development	-	-	-	-	1,583,018	-	-	-	1,583,018
Debt service	-	-	-	-	-	-	260,561	-	260,561
Assigned	460,515	-	-	-	-	-	-	-	460,515
TOTAL FUND BALANCES	460,515	97,392	91,169	1,225,172	1,583,018	-	260,561	-	3,717,827
TOTAL LIABILITIES AND FUND BALANCE	\$ 470,172	\$ 97,392	\$ 91,169	\$ 1,250,962	\$ 1,637,995	\$ 82,042	\$ 690,676	\$ -	\$ 4,320,408

CITY OF UNIVERSITY CITY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Revenue								
	CALOP	Loop SBD	Parkway Gardens SBD	Sewer Lateral	Economic Development	Pension Tax	Debt Service	Capital Projects	Total
REVENUES									
General taxes:									
Current real estate taxes	\$ -	\$ 40,496	\$ 95,100	\$ -	\$ -	\$ 832,279	\$ 163,058	\$ -	\$ 1,130,933
Delinquent real estate taxes	-	-	-	-	-	25,120	7,803	-	32,923
Current personal property taxes	-	-	-	-	-	96,000	16,960	-	112,960
Delinquent personal property taxes	-	-	-	-	-	8,014	2,320	-	10,334
Railroad and utility taxes	-	-	-	-	-	-	5,347	-	5,347
Interest and penalties	-	-	-	-	-	63	21	-	84
Sales tax	-	-	-	-	578,355	-	-	-	578,355
Total General taxes	-	40,496	95,100	-	578,355	961,476	195,509	-	1,870,936
Charges for services	61,036	-	-	567,021	-	-	-	-	628,057
Licenses, permits, fines and fees	-	24,998	-	-	-	-	-	-	24,998
Investment income	136	14	-	7,754	-	-	-	-	7,904
Other	-	17,313	33,300	-	-	-	-	-	50,613
TOTAL REVENUES	61,172	82,821	128,400	574,775	578,355	961,476	195,509	-	2,582,508
EXPENDITURES									
Current:									
General government	20,012	53,494	118,377	557,841	153,361	961,476	-	-	1,864,561
Capital outlay	-	-	-	-	221,362	-	-	-	221,362
Debt services:									
Principal	-	-	-	-	-	-	205,000	-	205,000
Interest and fiscal charges	-	-	-	-	-	-	28,848	-	28,848
TOTAL EXPENDITURES	20,012	53,494	118,377	557,841	374,723	961,476	233,848	-	2,319,771
REVENUES OVER EXPENDITURES	41,160	29,327	10,023	16,934	203,632	-	(38,339)	-	262,737
OTHER FINANCING USES									
Transfers out	-	-	-	-	-	-	-	(1,454,915)	(1,454,915)
NET CHANGE IN FUND BALANCES	41,160	29,327	10,023	16,934	203,632	-	(38,339)	(1,454,915)	(1,192,178)
FUND BALANCE, JULY 1	419,355	68,065	81,146	1,208,238	1,379,386	-	298,900	1,454,915	4,910,005
FUND BALANCES, JUNE 30	\$ 460,515	\$ 97,392	\$ 91,169	\$ 1,225,172	\$ 1,583,018	\$ -	\$ 260,561	\$ -	\$ 3,717,827

CITY OF UNIVERSITY CITY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
CALOP SPECIAL REVENUE FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amounts	Actual	Variance With Final Budget - Positive (Negative)
REVENUES			
Charges for services	\$ 94,000	\$ 61,036	\$ (32,964)
Investment income	2,000	136	(1,864)
Other	400	-	(400)
Total Revenues	96,400	61,172	(35,228)
EXPENDITURES			
General government:			
Contractual services	96,150	4,339	91,811
Total Expenditures	96,150	4,339	91,811
NET CHANGE IN FUND BALANCE	\$ 250	56,833	\$ 56,583
ADJUSTMENT TO RECONCILE TO GAAP BASIS			
Current year encumbrances		41,786	
Prior year encumbrances		(57,459)	
Total Adjustment To Reconcile To GAAP Basis		(15,673)	
NET CHANGE IN FUND BALANCE - GAAP BASIS		41,160	
FUND BALANCE, JULY 1		419,355	
FUND BALANCE, JUNE 30		\$ 460,515	

CITY OF UNIVERSITY CITY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
LOOP SBD SPECIAL REVENUE FUND – BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amounts	Actual	Variance With Final Budget - Positive (Negative)
REVENUES			
General taxes:			
Current real estate taxes	\$ 37,000	\$ 40,496	\$ 3,496
Licenses, permits, fines, and fees	17,000	24,998	7,998
Investment income	-	14	14
Other	24,067	17,312	(6,755)
Total Revenues	78,067	82,820	4,753
EXPENDITURES			
General government:			
Contractual services	68,325	52,122	16,203
Commodities	5,500	1,372	4,128
Total Expenditures	73,825	53,494	20,331
NET CHANGE IN FUND BALANCE	\$ 4,242	29,326	\$ 25,084
FUND BALANCE, JULY 1		68,065	
FUND BALANCE, JUNE 30		\$ 97,391	

CITY OF UNIVERSITY CITY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
PARKVIEW GARDENS SBD SPECIAL REVENUE FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amounts	Actual	Variance With Final Budget - Positive (Negative)
REVENUES			
General taxes:			
Current real estate taxes	\$ 77,470	\$ 95,100	\$ 17,630
Investment income	500	-	(500)
Other	-	33,300	33,300
Total Revenues	<u>77,970</u>	<u>128,400</u>	<u>50,430</u>
EXPENDITURES			
General government:			
Contractual services	35,550	69,570	(34,020)
Commodities	36,000	48,807	(12,807)
Total Expenditures	<u>71,550</u>	<u>118,377</u>	<u>(46,827)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,420</u>	10,023	<u>\$ 3,603</u>
FUND BALANCE, JULY 1		<u>81,146</u>	
FUND BALANCE, JUNE 30		<u>\$ 91,169</u>	

CITY OF UNIVERSITY CITY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
SEWER LATERAL SPECIAL REVENUE FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amounts	Actual	Variance With Final Budget - Positive (Negative)
REVENUES			
Charges for services	\$ 573,000	\$ 567,021	\$ (5,979)
Investment income	2,500	7,754	5,254
Total Revenues	<u>575,500</u>	<u>574,775</u>	<u>(725)</u>
EXPENDITURES			
General government:			
Personal services	53,296	41,045	12,251
Contractual services	558,800	528,044	30,756
Commodities	1,075	-	1,075
Total Expenditures	<u>613,171</u>	<u>569,089</u>	<u>44,082</u>
NET CHANGE IN FUND BALANCE	<u>\$ (37,671)</u>	<u>5,686</u>	<u>\$ 43,357</u>
ADJUSTMENT TO RECONCILE TO GAAP BASIS			
Current year encumbrances		40,918	
Prior year encumbrances		<u>(29,670)</u>	
Total Adjustment To Reconcile To GAAP Basis		<u>11,248</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS		16,934	
FUND BALANCE, JULY 1		<u>1,208,238</u>	
FUND BALANCE, JUNE 30		<u>\$ 1,225,172</u>	

CITY OF UNIVERSITY CITY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amounts	Actual	Variance With Final Budget - Positive (Negative)
REVENUES			
General taxes:			
Sales tax	\$ 540,000	\$ 578,355	\$ 38,355
Investment income	1,000	-	(1,000)
Total Revenues	<u>541,000</u>	<u>578,355</u>	<u>37,355</u>
EXPENDITURES			
General government:			
Personal services	95,859	72,488	23,371
Contractual services	100,000	29,466	70,534
Commodities	-	(1,124)	1,124
Capital outlay	703,000	100,506	602,494
Total Expenditures	<u>898,859</u>	<u>201,336</u>	<u>697,523</u>
NET CHANGE IN FUND BALANCE	<u>\$ (357,859)</u>	<u>377,019</u>	<u>\$ 734,878</u>
ADJUSTMENT TO RECONCILE TO GAAP BASIS			
Current year encumbrances		111,500	
Prior year encumbrances		<u>(284,887)</u>	
Total Adjustment To Reconcile To GAAP Basis		<u>(173,387)</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS		203,632	
FUND BALANCE, JULY 1		<u>1,379,386</u>	
FUND BALANCE, JUNE 30		<u>\$ 1,583,018</u>	

CITY OF UNIVERSITY CITY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amounts	Actual	Variance With Final Budget - Positive (Negative)
REVENUES			
General taxes:			
Current real estate taxes	\$ 240,000	\$ 163,058	\$ (76,942)
Delinquent real estate taxes	6,500	7,803	1,303
Current personal property taxes	26,000	16,960	(9,040)
Delinquent personal property taxes	2,500	2,320	(180)
Railroad and utility taxes	7,500	5,347	(2,153)
Interest and penalties	-	21	21
Total General taxes	282,500	195,509	(86,991)
Investment income	700	-	(700)
Total Revenues	283,200	195,509	(87,691)
EXPENDITURES			
Debt service:			
Principal	205,000	205,000	-
Interest and fiscal charges	31,500	28,848	2,652
Total Expenditures	236,500	233,848	2,652
NET CHANGE IN FUND BALANCE	\$ 46,700	(38,339)	\$ (85,039)
FUND BALANCE, JULY 1		298,900	
FUND BALANCE, JUNE 30		\$ 260,561	

SECTION III - STATISTICAL SECTION

CITY OF UNIVERSITY CITY, MISSOURI

STATISTICAL INFORMATION

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

	Pages
Financial Trends	78 - 83
These five (5) schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	84 - 92
These five (5) schedules contain information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	93 - 96
These four (4) schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	97 - 98
These two (2) schedules provide demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	99 - 103
These three (3) schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

CITY OF UNIVERSITY CITY, MISSOURI

**NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011**	2012
Governmental Activities										
Invested in capital assets, net of related debt	\$ 15,621	\$ 20,333	\$ 24,254	\$ 28,843	\$ 26,794	\$ 29,945	\$ 31,239	\$ 31,244	\$ 30,787	\$ 35,729
Restricted	293	838	7,765	1,459	2,146	7,103	7,640	8,626	8,890	5,196
Unrestricted	9,023	8,598	2,307	8,228	12,192	13,495	16,005	19,029	23,076	27,588
Total Governmental Activities Net Assets	\$ 24,937	\$ 29,769	\$ 34,326	\$ 38,530	\$ 41,132	\$ 50,543	\$ 54,884	\$ 58,899	\$ 62,753	\$ 68,513
Business-type Activities										
Invested in capital assets, net of related debt	\$ 1,272	\$ 1,198	\$ 1,227	\$ 1,264	\$ 1,291	\$ 1,360	\$ 1,341	\$ 1,396	\$ 1,897	\$ 2,355
Restricted	123	111	116	110	116	122	122	124	125	50
Unrestricted	(100)	52	78	105	148	134	197	176	1,111	873
Total Business-type Activities Net Assets	\$ 1,295	\$ 1,361	\$ 1,421	\$ 1,479	\$ 1,555	\$ 1,616	\$ 1,660	\$ 1,696	\$ 3,133	\$ 3,278
Primary Government										
Invested in capital assets, net of related debt	\$ 16,893	\$ 21,531	\$ 25,481	\$ 30,107	\$ 28,085	\$ 31,305	\$ 32,580	\$ 32,640	\$ 32,684	\$ 38,084
Restricted	416	949	7,881	1,569	2,262	7,225	7,762	8,750	9,015	5,246
Unrestricted	8,923	8,650	2,385	8,333	12,340	13,629	16,202	19,205	24,187	28,461
Total Primary Government Net Assets	\$ 26,232	\$ 31,130	\$ 35,747	\$ 40,009	\$ 42,687	\$ 52,159	\$ 56,544	\$ 60,595	\$ 65,886	\$ 71,791

Note:

** In 2011, the City changed accounting for the Solid Waste (Sanitation) Fund from a Government Fund to an Enterprise Fund.

CITY OF UNIVERSITY CITY, MISSOURI

**CHANGES IN NET ASSETS, LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 **	2012
Expenses										
Governmental Activities:										
General government	\$ 4,593	\$ 4,580	\$ 3,788	\$ 5,034	\$ 4,034	\$ 5,736	\$ 6,841	\$ 6,951	\$ 7,245	\$ 7,946
Public safety	10,054	10,341	10,751	11,563	13,100	11,169	10,804	12,433	10,902	11,753
Highways and streets	5,157	2,725	3,683	3,990	4,817	1,945	4,226	3,538	3,972	4,468
Sanitation	2,197	2,285	2,126	2,158	2,223	2,559	2,648	2,953	-	-
Culture and recreation	3,235	4,875	5,448	5,829	5,701	5,604	5,825	5,568	5,796	5,462
Interest and fiscal charges	205	231	545	599	515	481	454	440	476	319
Total Governmental Activities Expenses	25,441	25,037	26,341	29,174	30,390	27,494	30,798	31,883	28,391	29,948
Business-type Activities:										
Parking facility	165	128	148	151	149	173	174	178	175	198
Sanitation	-	-	-	-	-	-	-	-	2,389	2,172
Total Business-type Activities Expenses	165	128	148	151	149	173	174	178	2,564	2,370
Total Primary Government Expenses	\$ 25,606	\$ 25,165	\$ 26,489	\$ 29,325	\$ 30,539	\$ 27,667	\$ 30,972	\$ 32,061	\$ 30,955	\$ 32,318
Program Revenues										
Governmental Activities:										
Charges for services										
General government	\$ 898	\$ 955	\$ 726	\$ 694	\$ 691	\$ 707	\$ 603	\$ 837	\$ 900	\$ 1,166
Public safety	953	1,318	1,359	1,464	1,544	1,638	1,895	2,090	1,796	1,743
Highways and streets	86	72	702	700	656	664	564	571	663	717
Sanitation	2,579	2,738	2,835	2,769	2,770	3,404	3,614	3,133	-	-
Culture and recreation	460	539	666	883	1,104	1,290	1,411	1,667	1,674	1,707
Operating grants and contributions	2,190	2,473	2,799	2,512	2,898	2,429	2,286	3,187	2,832	3,429
Capital grants and contributions	1,393	1,537	866	2,124	695	928	1,535	882	901	4,009
Total Governmental Activities										
Program Revenues	8,559	9,632	9,953	11,146	10,358	11,060	11,908	12,367	8,766	12,771

Note:

** In 2011, the City changed accounting for the Solid Waste (Sanitation) Fund from a Government Fund to an Enterprise Fund.

CITY OF UNIVERSITY CITY, MISSOURI

CHANGES IN NET ASSETS, LAST TEN FISCAL YEARS (CONTINUED)
(Accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011**	2012
Business-type Activities:										
Parking facility	195	192	203	206	221	232	214	214	214	210
Sanitation	-	-	-	-	-	-	-	-	2,980	2,249
Total Business-type Activities										
Program Revenues	195	192	203	206	221	232	214	214	3,194	2,459
Total Primary Government										
Program Revenues	\$ 8,754	\$ 9,824	\$ 10,156	\$ 11,352	\$ 10,579	\$ 11,292	\$ 12,122	\$ 12,581	\$ 11,960	\$ 15,230
Net Revenue (Expenses):										
Governmental activities	\$ (16,882)	\$ (15,405)	\$ (16,388)	\$ (18,028)	\$ (20,032)	\$ (16,434)	\$ (18,890)	\$ (19,516)	\$ (19,625)	\$ (17,177)
Business-type activities	30	64	55	55	72	59	40	36	630	89
Total Primary Government Net Expense	\$ (16,852)	\$ (15,341)	\$ (16,333)	\$ (17,972)	\$ (19,960)	\$ (16,375)	\$ (18,850)	\$ (19,480)	\$ (18,995)	\$ (17,088)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes	\$ 17,850	\$ 18,689	\$ 19,004	\$ 19,973	\$ 20,771	\$ 24,128	\$ 21,822	\$ 22,297	\$ 23,514	\$ 22,150
Licenses	812	996	1,025	990	763	750	723	679	486	381
Investment Income	166	65	401	406	493	449	371	182	128	133
Gain on sale of assets	-	-	-	17	-	-	-	126	30	-
Miscellaneous	683	487	515	845	536	518	297	438	126	329
Transfers	-	-	-	-	-	-	-	-	-	(56)
Total Governmental Activities	\$ 19,511	\$ 20,237	\$ 20,945	\$ 22,231	\$ 22,563	\$ 25,845	\$ 23,213	\$ 23,722	\$ 24,284	\$ 22,937
Business-type Activities:										
Investment income	3	2	5	3	4	2	4	-	2	-
Transfers	-	-	-	-	-	-	-	-	-	56
Total Primary Government	\$ 19,514	\$ 20,239	\$ 20,950	\$ 22,234	\$ 22,567	\$ 25,847	\$ 23,217	\$ 23,722	\$ 24,286	\$ 22,993
Change in Net Assets										
Governmental activities	\$ 2,629	\$ 4,832	\$ 4,557	\$ 4,204	\$ 2,531	\$ 9,411	\$ 4,323	\$ 4,206	\$ 4,659	\$ 5,760
Business-type activities	33	66	60	58	76	61	44	36	632	145
Total Primary Government	\$ 2,662	\$ 4,898	\$ 4,617	\$ 4,262	\$ 2,607	\$ 9,472	\$ 4,367	\$ 4,242	\$ 5,291	\$ 5,905

Note:

** In 2011, the City changed accounting for the Solid Waste (Sanitation) Fund from a Government Fund to an Enterprise Fund.

CITY OF UNIVERSITY CITY, MISSOURI

GENERAL GOVERNMENT TAX REVENUES BY SOURCE

**Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)**

Fiscal Year	Property Tax	Sales and Local Use Tax	Gross Receipts Tax	Miscellaneous Tax	Total
2003	\$ 4,516	\$ 8,292	\$ 4,665	\$ 377	\$ 17,850
2004	4,709	8,923	4,717	340	18,689
2005	4,869	9,153	4,670	312	19,004
2006	5,247	9,293	5,133	300	19,973
2007	5,559	9,700	5,218	294	20,771
2008	5,633	10,162	8,038	293	24,126
2009	5,622	9,543	6,360	297	21,822
2010	5,871	9,095	7,043	288	22,297
2011	6,349	9,323	7,336	506	23,514
2012	5,852	9,518	6,533	247	22,150

CITY OF UNIVERSITY CITY, MISSOURI

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012
General Fund:										
Reserved	\$ 3,475	\$ 1,373	\$ 2,159	\$ 1,988	\$ 1,702	\$ 3,260	\$ 3,487	\$ 2,359	\$ -	\$ -
Unreserved	3,663	5,083	4,690	4,538	4,325	7,257	7,805	11,342	-	-
Nonspendable	-	-	-	-	-	-	-	-	690	1,104
Committed	-	-	-	-	-	-	-	-	2,390	2,323
Restricted	-	-	-	-	-	-	-	-	-	650
Assigned	-	-	-	-	-	-	-	-	1,177	1,259
Unassigned	-	-	-	-	-	-	-	-	12,973	17,829
Total General Fund	\$ 7,138	\$ 6,456	\$ 6,849	\$ 6,526	\$ 6,027	\$ 10,517	\$ 11,292	\$ 13,701	\$ 17,230	\$ 23,165
All Other Governmental Funds:										
Reserved	\$ 105	\$ 665	\$ 1,301	\$ 1,604	\$ 2,426	\$ 2,719	\$ 3,932	\$ 5,495	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	2,449	2,635	3,151	3,623	3,434	4,224	3,853	3,122	-	-
Capital projects fund	7	3,051	5,804	(328)	6	71	94	162	-	-
Debt service funds	-	-	3	(130)	68	132	159	213	-	-
Nonspendable	-	-	-	-	-	-	-	-	47	64
Restricted	-	-	-	-	-	-	-	-	8,719	4,367
Assigned	-	-	-	-	-	-	-	-	675	461
Unassigned	-	-	-	-	-	-	-	-	(508)	(417)
Total All Other Governmental Funds	\$ 2,561	\$ 6,351	\$ 10,259	\$ 4,769	\$ 5,934	\$ 7,146	\$ 8,038	\$ 8,992	\$ 8,933	\$ 4,475

(1) GASB 54 was implemented in 2011.

CITY OF UNIVERSITY CITY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
General taxes	\$ 18,178	\$ 18,397	\$ 18,814	\$ 19,692	\$ 20,531	\$ 24,761	\$ 22,435	\$ 22,599	\$ 23,103	\$ 22,314
Charges for services	3,978	4,491	4,814	5,208	5,333	6,024	6,407	6,488	3,303	3,429
Intergovernmental	3,270	4,151	3,801	4,766	3,726	3,468	3,945	3,344	3,543	6,762
Licenses, permits, fines and fees	1,886	2,225	2,452	2,285	2,168	2,146	2,203	2,577	2,553	2,729
Investment Income	105	42	349	344	402	379	348	168	117	124
Special assessments	-	-	-	-	-	-	288	521	150	203
Miscellaneous	534	526	548	941	609	579	615	464	118	280
Total Revenues	27,951	29,832	30,778	33,236	32,769	37,357	36,241	36,161	32,887	35,841
Expenditures										
General government	4,355	4,496	4,613	4,954	5,421	6,803	6,923	6,807	6,635	7,055
Public safety	9,888	10,113	10,746	11,079	11,267	10,879	10,725	11,098	11,011	11,388
Highways and streets	5,958	4,868	3,941	4,317	3,162	1,346	2,941	2,997	2,778	2,769
Sanitation	2,197	2,259	2,120	2,171	2,263	2,494	2,006	2,440	-	-
Culture and recreation	4,196	4,438	4,592	4,778	5,043	4,889	5,328	5,452	5,276	4,801
Capital outlay	709	5,190	6,960	10,713	3,165	4,077	4,561	2,768	1,863	6,530
Debt service										
Principal	839	907	1,060	1,226	1,262	790	786	820	845	1,132
Interest and fiscal charges	225	172	433	553	521	461	434	416	460	687
Bond issuance costs	-	152	269	21	-	-	-	-	-	125
Total Expenditures	28,367	32,595	34,734	39,812	32,104	31,739	33,704	32,798	28,868	34,487
Excess of Revenues Over (Under) Expenditures	\$ (416)	\$ (2,763)	\$ (3,956)	\$ (6,576)	\$ 665	\$ 5,618	\$ 2,537	\$ 3,363	\$ 4,019	\$ 1,354
Other Financing Sources (Uses)										
Transfers in	\$ -	\$ 248	\$ -	\$ -	\$ 273	\$ -	\$ 44	\$ 338	\$ 4	\$ 4,312
Transfers out	-	(249)	-	-	(273)	-	(44)	(338)	(4)	(4,314)
Issuance of certificates of participation	-	-	8,245	-	-	-	-	-	-	-
Issuance on special obligation bonds	-	-	-	700	-	-	-	-	-	-
Premiums on debt issue	-	-	12	-	-	-	-	-	-	-
Premiums on special obligation bonds	-	-	-	6	-	-	-	-	-	-
Issuance of refunding debt	-	-	-	-	-	-	-	-	-	6,561
Payment to escrow agent	-	-	-	-	-	-	-	-	-	(6,436)
Proceeds from certificates of participation	-	5,205	-	-	-	-	-	-	-	-
Proceeds from capital lease	-	-	-	57	-	14	-	-	-	-
Total Other Financing Sources (Uses)	-	5,204	8,257	763	-	14	-	-	-	123
Net Change in Fund Balances	\$ (416)	\$ 2,441	\$ 4,301	\$ (5,813)	\$ 665	\$ 5,632	\$ 2,537	\$ 3,363	\$ 4,019	\$ 1,477
Debt service as a percentage of noncapital expenditures	4.1%	4.9%	6.7%	6.2%	6.0%	4.5%	4.2%	4.1%	4.7%	6.3%

CITY OF UNIVERSITY CITY, MISSOURI

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (amounts expressed in thousands)

Fiscal Year Ended June 30	Real Property ¹	Personal Property	Railroad and Utilities ²	Total Taxable Assessed Value	Total Direct Tax Rate ³	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Taxable Value
2003	\$ 361,891	\$ 65,648	\$ 7,523	\$ 435,062	0.963	\$ 2,124,730	20.48%
2004	386,345	63,992	7,122	457,459	(see table below)	2,166,855	21.11%
2005	387,731	60,800	7,609	456,140	(see table below)	2,167,365	21.05%
2006	468,756	63,352	7,881	539,989	(see table below)	2,594,407	20.81%
2007	474,395	64,458	7,969	546,822	(see table below)	2,627,047	20.82%
2008	560,796	65,229	8,078	634,103	(see table below)	3,054,891	20.76%
2009	534,918	60,788	8,324	604,030	(see table below)	3,059,619	19.74%
2010	537,172	52,639	8,474	598,285	(see table below)	2,911,594	20.55%
2011	537,029	53,033	8,474	598,536	(see table below)	2,885,607	20.74%
2012	532,495	53,577	9,129	595,201	(see table below)	2,886,720	20.62%

Total Direct Tax Rate

Fiscal Year Ended June 30	Residential	Commercial	Personal Property	Agricultural
2004	0.929	0.944	0.985	0.000
2005	0.958	1.029	1.002	0.000
2006	0.845	0.950	1.015	0.000
2007	0.906	1.014	1.077	0.000
2008	0.927	1.033	1.236	0.000
2009	0.922	1.069	1.229	0.000
2010	0.987	1.114	1.211	0.000
2011	0.761	0.866	0.923	0.000
2012	0.753	0.892	0.909	0.000

¹ Assessments are based on January 1st valuations. Assessed valuations are determined and certified by the Assessor of St. Louis County.

² Railroad and Utilities are State Assessed. Locally assessed are included in Real and Personal. Laclede Gas Company and St. Louis County Water Company are included with personal assessments as they are local concerns.

³ All property taxes prior to 1983 are collected by the Director of Finance of University City. All property taxes levied in 1983 and after and taxes on railroads and other utilities are payable at the office of the St. Louis County Director of Revenue.

Sources:

St. Louis County Department of Revenue

2012 Internet Source: <http://revenue.stlouisco.com/pdfs>

2011 Internet Source: <http://revenue.stlouisco.com/collection/yourtaxrates.aspx>

CITY OF UNIVERSITY CITY, MISSOURI

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(per \$100 assessed valuation)**

	2003	2004				2005			
		Residential	Commercial	Personal	Agricultural	Residential	Commercial	Personal	Agricultural
City of University City	0.9630	0.9290	0.9440	0.9850	0.9850	0.9580	1.0290	1.0020	0.0000
St. Louis County	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800
University City School District	5.0580	4.9244	5.0089	5.2751	5.2751	4.9945	5.3007	5.2751	0.0000
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Metropolitan St. Louis Sewer District	0.0690	0.0690	0.0690	0.0690	0.0690	0.0690	0.0690	0.0690	0.0690
Metropolitan Zoological Park and Museum District	0.2220	0.2260	0.2260	0.2260	0.2260	0.2756	0.2756	0.2756	0.2756
St. Louis Community College	0.2320	0.2312	0.2312	0.2312	0.2312	0.2368	0.2368	0.2368	0.2368
Sheltered Workshop	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850
Special School District	0.0849	0.8330	0.8530	0.8640	0.8640	0.9051	0.9051	0.9051	0.9051
MSD/University City Storm Sewer	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0000
Black Creek	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0000
MSD/University City Sewer Improvement	0.0600	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
MSD/Deer Creek Subdistrict	0.0000	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.6000

Note: All property taxes prior to 1983 are collected by the University City Finance Director. All property taxes levied in 1983 and after and taxes on railroads and other utilities are payable at the office of the St. Louis County Director of Revenue. Said taxes are due and payable by December 31.

Source:
St. Louis County Assessor's Office

(continued on next page)

CITY OF UNIVERSITY CITY, MISSOURI

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED)
LAST TEN FISCAL YEARS
(per \$100 assessed valuation)

	2006				2007			
	Residential	Commercial	Personal	Agricultural	Residential	Commercial	Personal	Agricultural
City of University City	0.8450	0.9500	1.0150	0.0000	0.9060	1.0140	1.0770	0.0000
St. Louis County	0.5580	0.5580	0.5580	0.5580	0.5580	0.5580	0.5580	0.5580
University City School District	4.4208	5.6000	5.2751	0.0000	4.4261	5.3583	5.2751	0.0000
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Metropolitan St. Louis Sewer District	0.0686	0.0686	0.0686	0.0686	0.0687	0.0687	0.0687	0.0687
Metropolitan Zoological Park and Museum District	0.2654	0.2654	0.2654	0.2654	0.2611	0.2611	0.2611	0.2611
St. Louis Community College	0.2231	0.2231	0.2231	0.2231	0.2233	0.2233	0.2233	0.2233
Sheltered Workshop	0.0820	0.0850	0.0850	0.0850	0.0820	0.0850	0.0850	0.0850
Special School District	0.8399	0.8399	0.8399	0.8399	0.8235	0.8235	0.8235	0.8235
MSD/University City Storm Sewer	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Black Creek	0.0600	0.0600	0.0600	0.0000	0.0600	0.0600	0.0600	0.0000
MSD/University City Sewer Improvement	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
MSD/Deer Creek Subdistrict	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600

Note: All property taxes prior to 1983 are collected by the University City Finance Director. All property taxes levied in 1983 and after and taxes on railroads and other utilities are payable at the office of the St. Louis County Director of Revenue. Said taxes are due and payable by December 31.

Source:
St. Louis County Assessor's Office

(continued from previous page)

CITY OF UNIVERSITY CITY, MISSOURI

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED) LAST TEN FISCAL YEARS (per \$100 assessed valuation)

	2008				2009			
	Residential	Commercial	Personal	Agricultural	Residential	Commercial	Personal	Agricultural
City of University City	0.9270	1.0330	1.2360	0.0000	0.9220	1.0690	1.2290	0.0000
St. Louis County	0.5580	0.5580	0.5580	0.5580	0.5580	0.5580	0.5580	0.5580
University City School District	4.0331	4.2340	5.2751	0.0000	4.0477	4.3440	5.2751	0.0000
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Metropolitan St. Louis Sewer District	0.0667	0.0667	0.0667	0.0667	0.0000	0.0000	0.0000	0.0000
Metropolitan Zoological Park and Museum District	0.2330	0.2330	0.2330	0.2330	0.2344	0.2344	0.2344	0.2344
St. Louis Community College	0.2003	0.2003	0.2003	0.2003	0.2013	0.2013	0.2013	0.2013
Sheltered Workshop	0.0700	0.0790	0.0850	0.0850	0.6900	0.0810	0.0900	0.0900
Special School District	0.9084	0.9084	0.9084	0.9084	0.9184	0.9184	0.9184	0.9184
MSD/University City Storm Sewer	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Black Creek	0.0600	0.0600	0.0600	0.0000	0.0000	0.0000	0.0000	0.0000
MSD/University City Sewer Improvement	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
MSD/Deer Creek Subdistrict	0.0600	0.0600	0.0600	0.0600	0.0000	0.0000	0.0000	0.0000

Note: All property taxes prior to 1983 are collected by the University City Finance Director. All property taxes levied in 1983 and after and taxes on railroads and other utilities are payable at the office of the St. Louis County Director of Revenue. Said taxes are due and payable by December 31.

Source:
St. Louis County Assessor's Office

(continued from previous page)

CITY OF UNIVERSITY CITY, MISSOURI

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED) **LAST TEN FISCAL YEARS** **(per \$100 assessed valuation)**

	2010				2011			
	Residential	Commercial	Personal	Agricultural	Residential	Commercial	Personal	Agricultural
City of University City	0.9870	1.1140	1.2110	0.0000	0.7610	0.8660	0.9230	0.0000
St. Louis County	0.5230	0.5230	0.5230	0.5230	0.5230	0.5230	0.5230	0.5230
University City School District	4.2099	4.4159	5.2751	0.0000	4.6618	4.9747	5.7264	0.0000
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Metropolitan St. Louis Sewer District	0.0000	0.0000	0.0000	0.0000	0.0790	0.0790	0.0790	0.0790
Metropolitan Zoological Park and Museum District	0.2493	0.2493	0.2493	0.2493	0.2546	0.2546	0.2546	0.2546
St. Louis Community College	0.2136	0.2136	0.2136	0.2136	0.2179	0.2176	0.2179	0.2179
Sheltered Workshop	0.0740	0.0740	0.0740	0.0740	0.0790	0.0850	0.0900	0.0870
Special School District	0.9384	0.9384	0.9384	0.9384	0.9950	0.9950	0.9950	0.9950
MSD/University City Storm Sewer	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Black Creek	0.0000	0.0000	0.0000	0.0000	0.0830	0.0920	0.0950	0.0000
MSD/University City Sewer Improvement	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
MSD/Deer Creek Subdistrict	0.0000	0.0000	0.0000	0.0000	0.0810	0.0820	0.0930	0.0760
Mississippi River Anti Pollution					0.0000	0.0000	0.0000	0.0000
Roads and Bridges					0.1050	0.1050	0.1050	0.1050
University City Library					0.2380	0.2800	0.2800	0.0000

Note: All property taxes prior to 1983 are collected by the University City Finance Director. All property taxes levied in 1983 and after and taxes on railroads and other utilities are payable at the office of the St. Louis County Director of Revenue. Said taxes are due and payable by December 31.

Source:

St. Louis County Assessor's Office

2011 Internet Source: www.revenue.stlouisco.com/Collection/yourtaxrates.aspx

2010 Internet Source: <http://revenue.stlouisco.com/Collection/TaxRates.aspx>

(continued from previous page)

CITY OF UNIVERSITY CITY, MISSOURI

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED)
LAST TEN FISCAL YEARS
(per \$100 assessed valuation)

	2012			
	Residential	Commercial	Personal	Agricultural
City of University City	0.7530	0.8920	0.9090	0.0000
St. Louis County	0.5230	0.5230	0.5230	0.5230
University City School District	0.4711	5.2122	5.7264	0.0000
State of Missouri	0.0300	0.0300	0.0300	0.0300
Metropolitan St. Louis Sewer District	0.0818	0.0818	0.0818	0.0818
Metropolitan Zoological Park and Museum District	0.2671	0.2671	0.2671	0.2671
St. Louis Community College	0.2200	0.2200	0.2200	0.2200
Sheltered Workshop	0.0840	0.0900	0.0900	0.0900
Special School District	1.0125	1.0125	1.0125	1.0125
MSD/University City Storm Sewer	0.0000	0.0000	0.0000	0.0000
Black Creek	0.0000	0.0000	0.0000	0.0000
MSD/University City Sewer Improvement	0.0000	0.0000	0.0000	0.0000
MSD/Deer Creek Subdistrict	0.0840	0.0820	0.0930	0.0790
Mississippi River Anti Pollution	0.0000	0.0000	0.0000	0.0000
Roads and Bridges	0.1050	0.1050	0.1050	0.1050
University City Library	0.2410	0.2800	0.2800	0.0000

Note: All property taxes prior to 1983 are collected by the University City Finance Director. All property taxes levied in 1983 and after and taxes on railroads and other utilities are payable at the office of the St. Louis County Director of Revenue. Said taxes are due and payable by December 31.

Source:

St. Louis County Assessor's Office

2012 Internet Source: www.revenue.stlouisco.com/Collection/yourtaxrates.aspx

(continued from previous page)

CITY OF UNIVERSITY CITY, MISSOURI

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

JUNE 30, 2012

(amounts expressed in thousands)

2012

Rank	Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total Taxable Assessed Value¹
1	McKnight Place Partnership I LLP	Apartments	\$ 6,263	1.05%
2	Wyncrest Holdings Inc.	Apartments	4,706	0.79%
3	McKnight Place Partnership II LLP	Apartments	1,938	0.33%
4	MCW RD University City Square LLC	Retail Outlet	1,890	0.32%
5	U City Lions LLC A Missouri Liability	Retail/Office Space	1,657	0.28%
6	Six Fortune LLC	Management Consultants	1,447	0.24%
7	McKnight Place Extended Care LLC	Apartments	1,278	0.21%
8	Mansions on the Plaza LP	Apartments	1,235	0.21%
9	Deutsch Family Investments LLC	Property Investment	1,175	0.20%
10	POE Delmar F Jr Trustee	Property Investment	1,128	0.19%
	Total		\$ 22,717	3.82%

2003

Rank	Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total Taxable Assessed Value¹
1	Ameren UE	Utilities	\$ 5,969	1.30%
2	McKnight Place Partnership	Apartments	5,874	1.28%
3	Wyncrest Holdings, Inc.	Apartments	4,198	0.92%
4	Wade, William J., Trustee	Retail Outlet	1,705	0.37%
5	Park Chung HWE Etal J/T	Rea	1,370	0.30%
6	University Terrace Associates LP	Apartments	1,293	0.28%
7	Southwestern Bell	Telecommunications	1,240	0.27%
8	Brentmoor Retirement Community LLC	Retirement Village	1,145	0.25%
9	McKnight Place Extended Care	Extended Care Facility	1,116	0.24%
10	Missouri American Water Co.	Utilities	1,035	0.24%
	Total		\$ 24,945	5.44%

¹See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

Sources:

St. Louis County Department of Revenue Collection Division.

2012 Internet Source: www.revenue/stlouisco.com/pdfs/2012

City of University City Comprehensive Financial Report, June 30, 2003

CITY OF UNIVERSITY CITY, MISSOURI

**PROPERTY TAX LEVIES AND COLLECTIONS *
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

Fiscal Year Ended June 30	Collected within the Fiscal Year of the Levy				Total Collections to Date		
	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy	
2003	\$ 4,080	\$ 3,897	95.5%	\$ 183	\$ 4,080	100.0%	
2004	4,190	3,965	94.6%	224	4,189	100.0%	
2005	4,311	3,774	87.5%	536	4,310	100.0%	
2006	4,597	4,413	96.0%	181	4,594	99.9%	
2007	4,987	4,126	82.7%	859	4,985	100.0%	
2008	6,020	5,692	94.6%	293	5,985	99.4%	
2009	6,032	5,716	94.8%	277	5,993	99.4%	
2010*	5,985	5,770	96.4%	139	5,909	98.7%	
2011	6,144	5,851	95.2%	121	5,972	97.2%	
2012	6,351	6,062	95.4%	-	6,062	95.4%	

*Amounts reflected do not include collections on railroads, intangible personal property, and other utilities.
First year biannual assessments.

Sources:

St. Louis County

2012 Internet Source: www.revenue/stlouisco.com/pdfs/2012

City of University City Finance Department

CITY OF UNIVERSITY CITY, MISSOURI

**SALES TAX RATES, DIRECT AND OVERLAPPING
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	City Direct Rate	St. Louis County	State of Missouri
2003	1.000%	1.850%	4.225%
2004	1.250%	1.850%	4.225%
2005	1.250%	1.850%	4.225%
2006	1.250%	1.850%	4.225%
2007	1.250%	1.850%	4.225%
2008	1.500%	1.850%	4.225%
2009	1.500%	2.100%	4.225%
2010	1.500%	2.700%	4.225%
2011	1.500%	2.700%	4.225%
2012	1.500%	2.700%	4.225%

Sales and Local Use Tax

Fiscal Year Ended June 30	Total Sales Tax Rate at Beginning of Year	Sales Tax Collections (expressed in millions)¹
2003	7.075	8,292
2004	7.325	8,923
2005	7.325	9,153
2006	7.325	9,293
2007	7.325	9,700
2008	7.575	10,162
2009	7.825	9,543
2010	8.425	9,095
2011	8.425	9,332
2012	8.425	9,518

The City levies a sales tax of one-half percent (0.50%) for the purpose of parks and stormwater, one-half percent (0.50%) for the purpose of capital improvements, one-quarter (0.25%) for the purpose of fire services, and one-quarter (0.25%) for the purpose of economic development.

Additionally, the City receives a portion of 1% sales tax (included in the rates shown above) levied by St. Louis County.

St. Louis County added .25% for Children's Fund in 2009

St. Louis County added .100% for E-911 Communication and .500% for Metro Link in 2010.

CITY OF UNIVERSITY CITY, MISSOURI

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)**

Fiscal Year	Governmental Activities						Business-type Activities								
	Tax Increment		General Obligation Bonds	Special Obligation Bonds	Certificates of Participation	Notes Payable	Capital Lease	Certificates of Participation	Total Primary Government	Percentage of					
	Revenue	Anticipation								Personal Income ¹	Per Capital1				
	Note														
2003	\$	1,745	\$	560	\$	-	\$	-	\$	1,125	\$	3,430	0.34%	\$	93
2004		1,398		-		5,205		-		1,140		7,743	0.78%		209
2005		948		2,000		-		-		1,065		14,853	1.49%		401
2006		498		1,810		655		10,315		-		41	990	1.43%	387
2007		-		1,635		620		9,780		-		22	915	1.30%	351
2008		-		1,455		585		9,230		-		11	835	1.21%	327
2009		-		1,270		550		8,665		-		5	755	1.13%	304
2010		-		1,075		515		8,080		-		-	670	1.04%	279
2011		-		875		475		7,475		-		-	585	0.77%	269
2012		-		670		435		6,561		-		-	459	0.66%	232

¹Personal income and population data can be found in the Schedule of Demographic and Economic Statistics.

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

CITY OF UNIVERSITY CITY, MISSOURI

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

(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation		Less: Amounts Available		Percentage of Estimated Actual Taxable Value of				
	Bonds		in Debt Service Fund	Total	Property ¹	Per Capita ²			
2003	\$	560	\$	1	\$	559	26.31%	\$	15
2004		-		-		-	0.00%		-
2005		2,000		3		1,997	92.16%		54
2006		1,810		-		1,810	69.78%		49
2007		1,635		68		1,567	59.65%		42
2008		1,455		132		1,323	43.25%		36
2009		1,270		159		1,111	38.15%		30
2010		1,075		213		862	29.67%		23
2011		875		299		576	19.83%		16
2012		670		261		409	14.08%		11

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

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

²Population data can be found in the Schedule of Demographics and Economic Statistics.

Source:

City of University City Comprehensive Annual Financial Reports, 2003-2012.

CITY OF UNIVERSITY CITY, MISSOURI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012
(amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimate Share of Overlapping Debt</u>
St. Louis County	\$ 26,085	2.65%	\$ 691
School District of University City	60,545	2.67%	1,617
Subtotal, overlapping debt	86,630		2,308
University City direct debt	7,666	100.00%	7,666
Total Direct and Overlapping Debt	<u>\$ 94,296</u>		<u>\$ 9,974</u>

* Based on January 1, 2012 assessed valuations.

The estimated percentage applicable was calculated based on the City's assessed value as a portion of St. Louis County's and School District of University City's assessed value.

Sources:

St. Louis County Division of Fiscal Management,

<http://www.stlouisco.com/YourGovernment/CountyDepartments/FiscalManagement#dltop>

St. Louis County Department of Revenue

www.revenue.stlouisco.com/pdfs

CITY OF UNIVERSITY CITY, MISSOURI

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 43,506	\$ 45,746	\$ 45,614	\$ 53,999	\$ 54,682	\$ 63,410	\$ 60,403	\$ 59,965	\$ 59,854	\$ 59,520
Total net debt applicable to limit	559	-	1,997	1,810	1,567	1,323	1,111	862	576	409
Legal debt margin	\$ 42,947	\$ 45,746	\$ 43,617	\$ 52,189	\$ 53,115	\$ 62,087	\$ 59,292	\$ 59,103	\$ 59,278	\$ 59,111
Total net debt applicable to the limit as a percentage of debt limit	1.28%	0.00%	4.39%	3.35%	2.87%	2.09%	1.84%	1.44%	0.96%	0.69%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Value	\$ 595,200
Add back: exempt real property	-
Total Assessed Value	<u>\$ 595,200</u>
Debt limit (10% of total assessed value)*	59,520
Debt applicable to limit:	
General obligation bonds	670
Less: Amount set aside for repayment of general obligation debt	<u>(261)</u>
Total net debt applicable to limit	<u>409</u>
Legal Debt Margin	<u>\$ 59,111</u>

*Under Article VI Section 26(b) and 26(c) of the Missouri Constitution, the City, by vote of the qualified electors thereof, may incur general obligation bonded indebtedness for City purposes in an amount to exceed 10% of the assessed valuation of taxable tangible property within the City as ascertained by the last completed assessment for State or County purposes. Under Section 26(d) of said Article VI, the City may incur general obligation indebtedness not exceeding in the aggregate an additional 10% of the aforesaid assessed valuation for the purpose of acquiring rights-of-way, construction, extending and improving the streets and avenues and acquiring right-of-way, construction and improving sanitary or storm sewer systems, and under Section 26(e) of said Article VI, additional general obligation indebtedness may be incurred for purchasing or constructing waterworks, electric, or other light plants to be owned exclusively by the City, provided that the general obligation indebtedness of the City shall not exceed 20% of the assessed valuation.

CITY OF UNIVERSITY CITY, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population ¹	Personal Income ¹	Per Capita Personal Income ¹	Median Age ¹	Education Level % High School Graduate Age 25+ ¹	Education Level % Bachelor's Degree or Higher Age 25+ ¹	Public School Enrollment ²	Unemployment Rate ³
2003	37,428	\$ 1,006,850,628	\$ 26,901	35.4	87.4%	45.0%	4,184	6.2%
2004	37,428	1,006,850,628	26,901	35.4	87.4%	45.0%	3,981	6.2%
2005	37,428	1,006,850,628	26,901	35.4	87.4%	45.0%	3,608	5.7%
2006	37,428	1,006,850,628	26,901	35.4	87.4%	45.0%	3,515	5.2%
2007	37,428	1,006,850,628	26,901	35.4	87.4%	45.0%	3,495	5.3%
2008	37,428	1,006,850,628	26,901	35.4	87.4%	45.0%	3,262	5.4%
2009	37,428	1,006,850,628	26,901	35.4	87.4%	45.0%	3,135	7.1%
2010	37,428	1,006,850,628	26,901	35.4	87.4%	45.0%	3,141	8.4%
2011	35,371	1,223,624,374	34,594	36.3	91.0%	49.3%	3,160	8.6%
2012	35,371	1,223,624,374	34,594	36.3	91.0%	49.3%	3,160	7.2%

Sources:

¹U.S. Census Bureau

²City of University City School District, 2011-2012

³Missouri Economic Research and Information Center, Missouri Department of Economic Development

CITY OF UNIVERSITY CITY, MISSOURI

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO *

2012					2005*				
Employer	Employees ¹	Rank	Type of Business	Percentage of Total City Employment ²	Employer	Employees ¹	Rank	Type of Business	Percentage of Total City Employment ²
City of University City ³	473	1	Local Government	8.45%	University City School District	570	1	School District	9.72%
University City School District	420	2	School District	7.50%	City of University City ³	424	2	Local Government	7.23%
Gatesworth Community	230	3	Retirement/Independent Living/Nursing Community	4.11%	Gatesworth Community	300	3	Retirement/Independent Living/Nursing Community	5.11%
Winco Window Company Inc	150	4	Manufacturer - Commercial Aluminum Windows	2.68%	Winco Window Company Inc	200	4	Manufacturer - Commercial Aluminum Windows	3.41%
McKnight Place Extended Care	125	5	Retirement/Independent Living/Nursing Community	2.23%	Universal Sewing Supply Inc	83	5	Wholesale Distributor	1.41%
Schnucks Supermarket	109	6	Supermarket/Grocer	1.95%	Value City	61	6	Department Store/Retail	1.04%
Wiese Planning & Engineering	100	7	Industrial Truck Sales & Leasing	1.79%	Food for Less	35	7	Supermarket/Grocer	0.60%
U City Forest Manor LLC	92	8	Nursing Facility	N/A					
Fitz's Bottling Company	80	9	Restaurant	N/A					
Blueberry Hill	79	10	Restaurant	1.41%					
McKnight Place Assisted Living	76	11	Retirement/Independent Living/Nursing Community	1.36%					
McDonald's	73	12	Fast Food Establishment	1.30%					
Cicero's	69	13	Restaurant	1.23%					
Walgreens	64	14	Convenience Store/Pharmacy	1.14%					
Good Shepherd	62	15	Child Welfare Agency	1.11%					

*2005 is the oldest data available.

Sources:

¹Results of survey conducted by University City staff, February 2005 and June 2012. Survey consists of businesses who agreed to be included.

²Total City Employment: 9,028

³City of University City total represents full-time, part-time and seasonal staff employed at fiscal year end June 30, 2012.

N/A = Not Available

CITY OF UNIVERSITY CITY, MISSOURI

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

Function	Full-time Employees									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Legislative Services	1.0	1.0	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources	2.0	2.0	1.5	2.0	2.0	2.0	2.0	2.0	2.0	1.0
General Administration	3.0	3.0	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information Technology	0.0	0.0	0.5	1.0	2.0	2.0	2.0	2.0	2.0	0.0
Municipal Court	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Financial Operations	13.0	13.0	13.0	13.0	13.0	13.0	9.0	8.9	11.0	10.0
Facilities Maintenance	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	7.0
Public Relations	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Community Development	19.0	18.0	20.0	19.0	19.0	19.0	22.0	21.0	22.0	20.0
Public Safety										
Police										
Officers	82.0	82.0	82.0	79.0	79.0	77.0	75.0	73.0	76.0	76.0
Civilians	21.0	21.0	22.0	22.0	22.0	19.0	17.0	17.0	17.0	18.0
Fire										
Firefighters and Officers	49.0	48.0	48.0	47.0	47.0	44.0	44.0	44.0	44.0	43.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Highway and Streets										
Engineering	13.5	14.0	15.0	15.0	15.0	9.8	8.6	9.1	10.0	8.0
Street Maintenance	15.0	14.7	16.1	15.0	16.0	13.5	13.0	13.0	13.0	0.0
Streets, Parks, and Forestry Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30.0
Street Lighting	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sanitation	18.0	18.0	18.0	18.0	17.0	11.0	13.9	14.1	11.0	11.0
Culture and Recreation										
Maintenance, Administration and Forestry	23.0	22.3	23.0	23.0	23.0	22.0	22.0	22.0	22.0	0.0
Golf Course	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	1.0
Golf Course Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Recreation	0.0	0.8	2.8	3.0	3.0	0.0	0.0	0.0	0.0	0.0
Community Center	2.0	1.8	1.3	1.0	1.0	1.6	1.7	1.7	0.0	0.0
Aquatics	1.0	1.0	0.2	0.0	0.0	0.2	0.2	0.2	0.0	0.0
Recreation Facility	2.0	2.0	3.7	4.0	6.0	5.2	5.1	7.0	7.0	5.0
Library	16.0	17.0	19.0	17.0	17.0	17.0	17.0	16.0	16.0	16.0
Internal Service										
Fleet Maintenance	10.0	10.0	10.0	10.0	10.0	6.0	6.0	6.0	6.0	6.0
Total	304.5	304.1	314.1	307.0	310.0	279.3	273.5	271.9	274.0	262.0

Sources:

City of University City Annual Budget Reports, 2003-2012

City of University City Department of Human Resources, 2012

CITY OF UNIVERSITY CITY, MISSOURI

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year End June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Financial Operations										
Business licenses issued	856	834	843	873	824	894	855	850	635	652
Community Development										
Zoning applications processed	38	39	62	55	51	31	30	24	34	29
Construction permits issued	4,404	4,406	5,603	4,937	4,701	4,688	4,905	4,614	3,760	4,299
Occupancy permits issued	3,880	4,075	4,628	3,852	4,355	3,479	2,789	2,983	3,410	3,847
Property inspections (existing structures)	8,388	10,204	11,027	12,003	15,638	9,845	9,745	10,129	15,844	6,698
Construction inspections	N/A	N/A	N/A	N/A	N/A	10,544	10,384	9,630	9,405	8,141
Environmental inspections	N/A	N/A	N/A	N/A	261	3,114	5,083	8,133	8,330	3,806
Vacant buildings registered	N/A	N/A	N/A	N/A	110	123	140	279	155	134
Public Safety										
Police										
Arrest for violations other than traffic	4,087	3,463	3,479	4,014	3,357	3,194	3,369	3,939	4,643	3,155
Number of juveniles taken into custody	483	495	563	467	468	422	555	626	375	252
Traffic violations										
Non-moving violations	14,047	10,290	11,937	10,110	12,372	9,548	10,032	11,355	18,300	22,797
Hazardous moving violations	1,738	2,512	2,767	2,300	2,912	3,285	3,304	3,327	3,146	3,562
Non-hazardous moving violations	1,738	881	327	307	1,168	1,556	2,068	1,266	1,446	2,408
Fire										
Total fire calls	1,596	1,565	1,513	1,487	1,901	1,877	1,973	1,890	2,166	2,026
Total ambulance calls	3,865	3,941	3,941	3,846	3,926	3,878	3,910	3,941	4,145	4,214
Total fires	214	255	335	201	249	185	205	188	211	231
Highway and Streets										
Sewer lateral repairs ¹	69	82	106	77	109	98	101	124	123	173
Right-of-way permits	N/A	383	349	393	391	363	300	285	164	275
Sidewalk repaired (square feet) ²	500	16	16	120	675	525	550	650	1,250	1,200
Street sweeping (miles)	1,840	2,100	2,151	2,788	2,319	4,581	5,016	4,650	5,466	5,460
Number of street lights maintained by city	207	207	243	250	361	370	370	370	407	611

¹ Sewer Lateral Repair Program began in January 2000.

² Total sidewalk repairs performed by staff.

Sources:

City of University City Annual Administrative Reports and Budget Reports 2003 – 2012

City of University City Departments

N/A = Not Available

(continued on next page)

CITY OF UNIVERSITY CITY, MISSOURI

**OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

Function	Fiscal Year End June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sanitation										
Solid waste collected (tons)	19,550	18,000	14,250	11,781	13,354	11,856	10,910	10,088	11,192	11,000
Bulky items collected (tons)	616	675	41	78	416	270	180	203	238	195
Recyclables collected (tons)	1,516	1,435	1,635	1,546	4,098	2,936	2,697	2,308	2,488	2,642
Yard waste and leaves collected (tons)	N/A	N/A	N/A	N/A	N/A	5,747	7,914	8,538	6,408	5,328
Culture and Recreation										
Municipal golf course (rounds played)	33,787	32,783	30,538	32,506	28,668	23,179	26,319	30,395	26,744	31,482
Municipal swimming pool attendance	29,850	28,824	27,869	29,824	42,917	34,222	26,972	40,326	51,696	53,917
Community center attendance	24,270	35,851	41,630	38,912	36,100	34,126	35,505	40,441	33,369	32,005
Recreation facility attendance	81,245	61,616	45,683	94,384	129,447	136,902	144,014	164,274	154,957	137,363
Library patrons registered ³	27,951	29,434	30,935	27,167	33,110	35,138	32,300	37,317	39,306	39,550
Circulation of library materials, all media	379,010	393,724	415,658	430,292	438,045	447,586	494,679	488,669	514,225	475,901
Attendance at library programs for adult's and children	8,590	9,850	10,204	9,294	8,159	8,941	9,376	8,481	11,490	11,422

³Total for library patrons registered may be inflated because the database was not purged for fiscal year 2007.

Sources:

City of University City Annual Administrative Reports and Budget Reports 2003- 2012

City of University City Departments

N/A = Not Available

(continued from previous page)

CITY OF UNIVERSITY CITY, MISSOURI

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

	Fiscal Year End June 30									
Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
City hall building	1	1	1	1	1	1	1	1	1	1
Municipal parking garage	1	1	1	1	1	1	1	1	1	1
Central garage building	1	1	1	1	1	1	1	1	1	1
Trinity building	1	1	1	1	1	1	1	1	1	1
Motor vehicles	1	1	1	1	1	1	1	1	-	-
Data network telephone system	-	-	-	1	1	1	1	1	1	1
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Motor vehicles	28	29	29	29	29	29	32	31	31	31
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Hydrants	717	717	722	731	733	714	714	714	714	714
Motor vehicles	10	9	9	10	10	9	10	10	10	10
Highways and Streets										
Paved public streets (miles)	97.2	97.2	97.2	97.2	98.4	96.6	96.6	96.6	96.6	96.6
Streetlights (city-owned)	207	207	243	250	361	370	370	370	407	407
Traffic signals (city-owned)	3	3	3	3	3	3	3	3	3	3
Miles of sewer (MSD maintained)	170	170	177	177	177	177	177	-	-	-
Vehicles, trucks and various equipment	50	50	50	51	55	54	41	41	43	43
Sanitation										
Vehicles, trucks and various equipment	24	25	25	25	26	26	24	20	20	20
Transfer station	1	1	1	1	1	1	1	1	1	1
Compactor	1	1	1	1	2	1	2	2	2	2

Sources:

City of University City Comprehensive Annual Financial Reports, 2003 - 2012

City of University City Departments

(Continued on next page)

CITY OF UNIVERSITY CITY, MISSOURI

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

Function	Fiscal Year End June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Culture and Recreation										
Number of parks	17	17	17	17	17	18	18	18	18	18
Parks acreage	225	225	255	255	255	187	257	257	257	257
Tennis courts	1	1	1	19	19	19	19	19	19	19
Soccer fields	6	6	8	8	8	9	9	9	6	6
Football fields	3	3	2	2	2	1	1	1	1	1
Soccer/Football fields (combo)	N/A	N/A	N/A	N/A	N/A	3	3	3	1	1
Basketball courts (outdoor)	5	5	5	5	5	5	5	5	5	5
Ball diamonds	16	16	16	16	16	15	14	14	14	14
Fishing pond	2	2	2	2	2	2	2	2	2	2
Golf course (9-hole)	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Community center	1	1	1	1	1	1	1	1	1	1
Recreation facility	1	1	1	1	1	1	1	1	1	1
Vehicles, trucks and various equipment	24	24	24	24	24	25	25	25	25	25
Library building	1	1	1	1	1	1	1	1	1	1
Sutter Meyer historical building	-	-	-	-	1	1	1	1	1	1

Sources:

City of University City Comprehensive Annual Financial Reports, 2003-2012

City of University City Departments

(continued from previous page)