

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



FOR THE YEAR ENDED DECEMBER 31, 1998



16052 Swingley Ridge Rd., Suite 100, Chesterfield, Missouri 63017

CITY OF CHESTERFIELD, MISSOURI

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 1998

Report prepared and submitted by the
Finance and Administration Department

Janet S. Hawn
Director of Finance and Administration

CITY OF CHESTERFIELD, MISSOURI

Comprehensive Annual Financial Report

Fiscal year ended December 31, 1998

Table of Contents

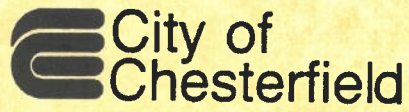
	<u>Page</u>
Part I – Introductory Section:	
Letter of Transmittal	1-8
Certificate of Achievement for Excellence in Financial Reporting.....	9
City Officials	10
Organizational Chart.....	11
Part II – Financial Section:	
Independent Auditors' Report	12
General Purpose Financial Statements:	
Combined Balance Sheet – All Fund Types, Account Groups, and Discretely Presented Component Unit.....	13-14
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Similar Expendable Trust Fund	15-16
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – All Governmental Fund Types	17-18
Statement of Revenues, Expenses, and Changes in Fund Equity – Discretely Presented Component Unit	19
Statement of Cash Flows – Discretely Presented Component Unit	20
Notes to General Purpose Financial Statements	21-33
Required Supplementary Information.....	34
	<u>Schedule</u>
Supplementary Data:	
Governmental Fund Types:	
General Fund – Schedule of Revenues and Expenditures – Budget and Actual	1 36-38
Special Revenue Funds:	
Combining Balance Sheet	2 40
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	3 41
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	4 42
Debt Service Funds:	
Combining Balance Sheet	5 44
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)	6 45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) – Budget and Actual	7 46-47
Capital Projects Funds:	
Combining Balance Sheet	8 49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	9 50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	10 51-53

CITY OF CHESTERFIELD, MISSOURI

Comprehensive Annual Financial Report, Continued

Table of Contents

	<u>Schedule</u>	<u>Page</u>
Part II – Financial Section, Continued:		
Supplementary Data, Continued:		
Fiduciary Fund Types – Trust and Agency Funds:		
Combining Balance Sheet	11	55
Agency Funds:		
Combining Balance Sheet	12	56
Combining Statement of Changes in Assets and Liabilities	13	57
Part III – Statistical Section:		
General Governmental Expenditures By Function	1	58
General Governmental Revenues By Source	2	59
Municipal Tax Revenue By Source	3	60
Intergovernmental Revenues By Source	4	61
Licenses and Permits	5	62
Charges for Services	6	63
Assessed and Estimated Actual Value of Taxable Property	7	64
Property Tax Rates – Direct and Overlapping Governments	8	65
Property Tax Levies and Collections	9	66
Legal Debt Margin	10	67
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures	11	68
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	12	69
Computation of Direct and Overlapping Debt	13	70
Building Permits and Construction	14	71
Bank Deposits	15	72
Schedule of Insurance in Force	16	73
Salaries and Surety Bonds of Principal Officials	17	74
Miscellaneous Statistical Data	18	75-76



Introductory Section



June 15, 1999

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

The Comprehensive Annual Financial Report of the City of Chesterfield, Missouri, for the fiscal year ended December 31, 1998, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a list of City officials, and the City's organizational chart. The financial section includes the general purpose financial statements and the combining and individual fund financial statements and schedules, as well as our independent auditors' report on the general purpose financial statements. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

This report includes all funds, account groups, and component units which make up the City's financial reporting entity as defined by Governmental Accounting Standards Board Statement No. 14 (GASB 14) and discussed more fully in note 1 to the general purpose financial statements. Chesterfield Community Development Corporation (CCDC), an Industrial Development Authority, is considered a component unit of the City and its financial data have been presented in the general purpose financial statements of the City in the separate discretely presented component unit column. The members of the CCDC's governing board are appointed by the Mayor of the City and the City has been providing significant subsidies to finance the operations of the CCDC.

The City of Chesterfield, Missouri, provides a full range of municipal services. These services include legislative, administrative, police services, judicial, planning, public works, and parks and recreation. The Chesterfield Fire Protection District is a separate legal entity which does not meet the established criteria for inclusion in the reporting entity and, accordingly, is excluded from this report.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION, AND OUTLOOK

The City of Chesterfield, Missouri, is located on the western edge of St. Louis County. The City was incorporated under Missouri law as a third class City on June 1, 1988 and has operated under a mayor/council/administrator form of government since then. According to the 1990 census figures, the City has a population of 42,325 residents.

The City of Chesterfield, Missouri, is considered by many to be one of the fastest growing cities in the Midwest. The City already has a thriving business community and is currently in the process of establishing a business district convenient to both the City of St. Louis and St. Charles County. Continuing improvements of I-64/Highway 40 assure the City greater opportunity for growth, enhancing its accessibility to downtown St. Louis. In the last twelve months, Chesterfield Valley received approval for an \$8.5 million lane capacity upgrade to I-64/Highway 40. The national and international headquarters and regional offices of corporations such as McDonald's Corporation, Merrill Lynch, Mallinckrodt Specialties Chemical Company, Wagner Brakes, and Shell Oil Company are located in the City of Chesterfield,

Missouri. In addition, Monsanto has a \$150 million Life Sciences Research Center which occupies approximately 900,000 square feet, or 210 acres, within the City.

The City of Chesterfield, Missouri, also has a strong retail base with Chesterfield Mall, which is one of the largest suburban shopping centers in the metropolitan St. Louis area, and a diversity of shops and restaurants in neighboring shopping centers. Chesterfield Mall now has over 1.9 million square feet of enclosed suburban shopping space, including four anchor stores (Dillard's, Famous Barr, Sears, and JC Penney's), 30 restaurants, a four-screen cinema, and more than 145 boutiques, shops, stores, and services. The square footage noted above includes the major expansion of Dillard's, the construction of a new Famous Barr, and the addition of JC Penney's in October 1996, thus completing the mall's original design.

The City's western corridor, referred to as Chesterfield Valley, has expanded dramatically over the last several years, with light industrial and office/warehouse facilities. Chesterfield Valley has made a dramatic comeback from the flood of 1993. The Monarch-Chesterfield levee which protects Chesterfield Valley has been restored to its original 100-year level of protection. We are working with the Monarch-Chesterfield Levee District to seek approval for the construction of a 500-year levee. The 500-year levee will further protect the Valley from flood waters and allow increased economic growth and development to flourish again. The City Council has designated Chesterfield Valley as a tax increment financing district. During 1997, site work began for two large commercial projects: Chesterfield Commons (1,000,000 square feet of retail) and Chesterfield Grove (186,000 square feet of mixed use).

Based on current projections, continued development of the entire City is inevitable. The growth in assessed valuation of the City bears out this fact. The City's assessed valuation of \$957,731,212 as of January 1, 1998 represents an increase of 3.7% from \$923,964,304 as of January 1, 1996, and an increase of 105.7% from \$465,549,049 as of January 1, 1988.

MAJOR INITIATIVES

For the year. The City's staff, following the specific directives of the Mayor and City Council, have been involved in a variety of projects throughout the year. These projects reflect the City's commitment to excellence.

During 1998, the City made great strides in the development of parks throughout the City. In November 1994, the voters approved an \$11 million bond issue to buy land and construct parks throughout the City. The bonds were issued in January 1995. The City advance refunded the 1995 Series General Obligation Bonds in order to take advantage of a significant drop in interest rates. This refunding reduced total debt service payments by approximately \$760,000, with a present value savings of approximately \$282,000. During 1998, the City completed a master development plan for the acquisition and construction of the proposed park sites, including the opening of the aquatic center in the Central City Park; also, the Central City Park site, acquired in 1997, has 36.9 acres. These efforts will greatly enhance the City's goal of creating a city of choice in the St. Louis region within which to live, work, play, and visit.

The City spent \$6,720,844 on major capital improvements to infrastructure, including street reconstruction, storm and sanitary sewer reconstruction, sidewalk reconstruction, and highway beautification. During 1998, the Department of Public Works continued to compliment its in-house operations with private contractors. This resulted in the reconstruction of over 10 miles of concrete streets, various asphalt overlays, and application of slurry seals. A total of 22,460 lineal feet of sidewalks were reconstructed due to this joint effort.

In November 1996, the voters of Chesterfield approved Propositions R & S, including a \$29,355,000 general obligation bond issue to fund capital improvements to streets and sidewalks citywide and a one-half cent capital improvement sales tax to pay for the bonds. The City has developed a comprehensive plan to complete these improvements over the next three to six years and began that work in 1997 with the issuance of \$14,230,000 of the general obligation debt which was authorized in 1996.

Also in 1998, City staff prepared its third five-year budget. This document demonstrates the City's commitment to excellence in planning for a fiscally strong future.

Finally, in 1998, the City added staff to enhance its ability to deliver services to its residents. One additional lieutenant and one sergeant were added to increase the number of commissioned officers to 77. The City also converted two part-time records clerks in the Police Department and one part-time data processing technician in the Finance and Administration Department into full-time positions. One additional planning technician was added in the Planning Department. The Public Works Department added a deputy director in its administrative/engineering division, a full-time secretary in the maintenance division, and an equipment mechanic in the vehicle maintenance division. Lastly, one recreation coordinator, and an administrative secretary were added in the parks division of the Public Works Department.

For the future. Plans for the future include even more increases in City services as the municipality continues to become more established. The 1999 City budget foresees the addition of one police officer, one crime analyst, one GIS specialist, two street maintenance workers, and a parks programmer. In addition, the City plans to add an accounting intern and a parks and recreation intern.

Department Focus

Each year the City selects a department to highlight for its efforts and accomplishments. In 1998, the City's Public Works Department has been selected for review.

Since its inception, the Department of Public Works has been committed to improving the quality of Chesterfield's infrastructure. The City is keenly aware that the quality of life within a community is directly related to the overall condition of property, roads, sewers and services offered. The Department of Public Works has taken an aggressive approach to improve the City's infrastructure and to become more responsive to the needs of our community.

The Department of Public Works is comprised of five operating divisions: the Engineering Division, the Street Maintenance Division, the Equipment Maintenance Division, the Bond Issue Section and the Parks, Recreation and Arts Division. The Engineering Division has a staff of 13 permanent employees. This Division is responsible for capital improvement projects, subdivision inspection, plan review and engineering design. The Street Maintenance Division consists of 33 full-time employees. This Division is charged with the care of public storm sewers, sidewalks, tree trimming and 150 miles of public streets including the responsibility of 24-hour snow and ice removal. The Equipment Maintenance Division has five (5) permanent employees and is responsible for maintaining all City-owned vehicles and construction equipment. The Bond Issue Section was developed in 1997 after the successful passage of nearly \$30 million Propositions R & S designated to make long needed repairs and upgrades to our public streets. A commitment was made to increase our construction standards, thereby increasing the longevity of our pavements. The Parks, Recreation and Arts Division is a direct result of the successful bond issue passed by the voters in November 1994 and consists of seven (7) full-time employees.

The Department of Public Works has certainly come a long way since the City was incorporated in 1988. Several significant milestones have been achieved which reflect the City's commitment to service and improving infrastructure. During 1998, the Parks Division successfully opened the Aquatic Center at the Central City Park, completed construction at its first park at Chesterfield Elementary and began construction at the 100-acre Chesterfield Valley Athletic Complex. In addition, work has begun on the development of more than 100 acres of a wetland mitigation area that will be utilized as a passive park and outdoor classroom.

Our capital improvement program continues to be fine tuned and consists of data collection to assist in our decision making as well as developing strategies for ongoing funding levels for storm sewer improvements, sidewalks, asphalt overlays, and street reconstruction. As part of this program, the City contracted for more than 150,072 square yards of street reconstruction during 1998. A community development block grant allows the City to construct handicap ramps at various locations. Twenty-nine ramps were constructed in

1998 using the CDBG grant. This work is designed and inspected by our engineering staff. A preventive maintenance program has been initiated for pavement, which involves the routing and sealing of pavement joints to prevent water intrusion and the subsequent damage to our pavements. During 1998, 23 miles of pavements were crack sealed. Fiscal year 1999 will reflect a continued commitment by the City to improve its infrastructure, with over \$7,984,800 budgeted for capital improvements, including storm sewer improvements, sidewalk replacements, street reconstruction, asphalt overlays, and beautification projects.

Along with this extensive effort in repairing the existing improvements, City inspectors provide regular and comprehensive inspection of new and contracted construction to ensure that all standards of quality and workmanship are met. New developments undergo an extensive engineering review with an eye toward future maintenance. The investment of time for inspection and review will ultimately reduce maintenance expenditures as well as provide the assurance that City residents are provided safe, quality improvements.

FINANCIAL INFORMATION

The City maintains its general accounting records on a modified accrual basis for all of its fund types and similar fiduciary (expendable trust and agency) funds and account groups.

Under the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when the related fund liability has been incurred. "Available" means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Municipal taxes and interest income are susceptible to accrual under the modified accrual basis of accounting. Licenses, permits, charges for services, fines, and fees and miscellaneous revenues are not susceptible to accrual and are recognized as revenues when received.

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. 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 requires estimates and judgments by management.

Budgetary Controls

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council of the City of Chesterfield, Missouri.

Annual budgets are prepared by the City Administrator for the general fund, the Chesterfield Valley Tax Increment Financing and the Capital Improvement Sales Tax Trust special revenue funds, all debt service funds, and all capital project funds. Budgetary control is maintained at the departmental level in the General Fund by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors and at the fund level for all other fund types. Open encumbrances lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget. The City Council exercises control over budgeted expenditures throughout the fiscal year.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions

General governmental revenues which include the general, special revenue, debt service, and capital projects funds totaled \$22,192,727 for the fiscal year ended December 31, 1998, which was the tenth full year of operation for the City of Chesterfield, Missouri, since incorporation on June 1, 1988. During the

period January 1, 1997 through December 31, 1997, revenues totaled \$18,718,357. The following schedule presents a summary of general government revenues for the fiscal year ended December 31, 1998 and the amount and percent of increases and decreases in relation to 1997 revenues:

<u>Revenues</u>	<u>1998 Amount</u>	<u>Percent of Total</u>	<u>1997 Amount</u>	<u>Dollar Increase (Decrease) From Prior Year</u>	<u>Percent of Increase (Decrease)</u>
Property tax	\$ 2,078,155	9.4%	\$ 1,848,504	\$ 229,651	12.4%
Utility gross receipts tax	3,868,894	17.4%	3,799,169	69,725	1.8%
Sales/use tax	10,127,653	45.6%	6,824,431	3,303,222	48.4%
Intergovernmental	3,187,651	14.4%	3,337,035	(149,384)	-4.5%
Licenses and permits	705,325	3.2%	663,124	42,201	6.4%
Charges for services	384,594	1.7%	209,030	175,564	84.0%
Court fines and fees	479,621	2.2%	409,817	69,804	17.0%
Investment income	1,223,161	5.6%	1,571,740	(348,579)	-22.2%
Miscellaneous	137,673	0.6%	55,507	82,166	148.0%
	<u>\$22,192,727</u>	<u>100.0%</u>	<u>\$18,718,357</u>	<u>\$3,474,370</u>	<u>18.6%</u>

The largest single source of revenue was the City's share of the 1% county-wide sales tax and the ½% capital improvement sales tax which accounted for \$8,701,243 or 39.2% of total revenue. The City recognized \$1,426,410 in local use tax in 1998 which had been previously held in deferred revenue pending the settlement of litigation. The second largest source of revenue is utility gross receipts tax, which accounted for \$3,868,894 or 17.4% of total revenue. The third largest source of revenue is intergovernmental revenues, which accounted for \$3,187,651 or 14.4% of total revenue. These three sources are expected to continue to provide a large percentage of City revenue in the future.

Property taxes have increased due to a growth in assessed valuation. As noted earlier, the City's overall assessed valuation grew 3.7% from 1997 to 1998. The incremental growth in assessed valuation of the Chesterfield Valley TIF District rose \$2,631,790 (or 34.3%) from \$7,678,850 to \$10,310,640.

Charges for services increased in 1998 due to an increase in engineering inspection fees in 1998. In addition, parks and recreation fees increased due to the addition of new programs and the fact that the City's aquatic center opened in 1998.

Court fines and fees were higher in 1998 due to a larger number of traffic tickets which were issued.

Interest revenues decreased in 1998 as bond proceeds were depleted.

Miscellaneous revenues, which make up less than 1% of the City's total revenues, increase during 1998 as a result of a change in the manner in which the City records the sale of its fixed assets. Previous to 1998, purchases of fixed assets had been recorded net of trade-in value in the expenditure account to which it applied. In 1998, the City began recording the sale of fixed assets as a revenue line item.

Expenditures for general governmental purposes totaled \$26,488,462 for the fiscal year ended December 31, 1998. During the period January 1, 1997 to December 31, 1997, total expenditures amounted to \$29,964,544. The following schedule presents a summary of general, special revenue, debt service, and capital projects fund expenditures for the fiscal year ended December 31, 1998 and the amount and percent of increases and decreases in relation to prior year amounts:

<u>Expenditures</u>	<u>1998 Amount</u>	<u>Percent of Total</u>	<u>1997 Amount</u>	<u>Dollar Increase (Decrease) From Prior Year</u>	<u>Percent of Increase (Decrease)</u>
Legislative	\$ 70,507	0.27%	\$ 70,157	350	0.5%
Administrative	1,949,709	7.36%	1,947,219	2,490	0.1%
Police services	4,800,224	18.12%	4,326,367	473,857	11.0%
Judicial	155,715	0.59%	169,848	(14,133)	-8.3%
Planning and zoning	395,984	1.49%	390,307	5,677	1.5%
Public works	2,885,030	10.89%	2,625,200	259,830	9.9%
Parks and recreation	534,487	2.02%	196,713	337,774	171.7%
Capital outlay	11,571,867	43.69%	18,363,647	(6,791,780)	-37.0%
Debt service	4,124,939	15.57%	1,875,086	2,249,853	120.0%
	<u>\$26,488,462</u>	<u>100.0%</u>	<u>\$29,964,544</u>	<u>(3,476,082)</u>	<u>-11.6%</u>

The single largest dollar increase in expenditures in actual dollars was debt service and reflects the payment of principal and interest on general obligation debt issued by the City during 1995 and 1997 and certificates of participation issued in 1995, as well as notes issued to the Monarch-Chesterfield Levee District by the Chesterfield Valley TIF Fund. It also reflects the advance refunding in 1998 which included a \$801,487 advance refunding escrow. This debt has been used to finance major infrastructure improvements, such as streets and sidewalks, sewer improvements, and land for parks, the development of parks, and the construction of a Public Works Facility.

The second largest dollar increase was in police, which (excluding capital expenditures) is the largest area of operation for the city. This increase reflects increases in personnel funded through various grants.

The third largest dollar increase was in parks and recreation where programs have been added as the parks are developed and becoming functional.

The fourth largest dollar increase in expenditures was in public works and reflects additional personnel, as well as programs, such as the snow removal reimbursement program for private subdivisions.

General Fund Balance

The fund balance of the general fund increased by 31% from \$6,430,892 as of December 31, 1997 to \$8,422,758 as of December 31, 1998. This fund balance provides the City with an operational reserve that is the equivalent of 116 working days of expenditures, or 31.8% of the total general governmental expenditures for the fiscal year ended December 31, 1998.

General Fixed Assets Account Group

The general fixed assets of the City have been acquired for general governmental purposes. The assets purchased are recorded as expenditures in the governmental fund types and are capitalized at cost in the general fixed assets account group. As of December 31, 1998, general fixed assets amounted to \$20,648,671. The City has elected not to capitalize roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems since such assets are immovable and of value only to the City. The City does not record depreciation on its general fixed assets.

Debt Administration

At year end, the City had five debt issues outstanding. These issues include \$10,215,000 in general obligation bonds for parks; \$12,910,000 in general obligation bonds for streets and sidewalks; \$2,680,000 in certificates of participation related to the City's capital lease obligation; and two TIF notes, one for \$1,000,000 and one for \$2,403,318, both to the Monarch-Chesterfield Levee District as of December 31, 1998. The general obligation bonds for parks were issued in 1995, but advance refunded in 1998. The certificates of participation were issued in 1995. The general obligation bonds for streets and sidewalks were issued in 1997. The first TIF note was issued in 1996 and a second note was issued in 1998. The City has upgraded its rating on the general obligation bond issue to Aa1 from Aa2 and to Aa2 from Aa3 on the certificates of participation from Moody's Investor Service.

Cash Management

The City earned \$1,223,161 in investment income during fiscal year 1998. During the period January 1, 1996 through December 31, 1997, investment income totaled \$1,571,740. State statutes authorize Missouri local governments to invest in obligations of the United States Treasury and U.S. Government agency securities. Other deposits or investments require collateral to be pledged consisting of obligations of the United States Treasury or instruments guaranteed by the full faith and credit of the United States Government. The fair market value of the pledged securities must equal 100% of the deposits and investments. As of December 31, 1998, the City had all cash invested in a repurchase agreement which earns interest at an adjustable rate based on market conditions, or short-term U.S. Treasury and government agency securities with a weighted average interest rate of 5.60%.

Risk Management

The City is a member of two public entity risk pools comprised of various municipalities in St. Louis County. One of the pools covers workers' compensation (St. Louis Area Insurance Trust – SLAIT). The other pool insures liability exposures (Property and Casualty Trust – PACT). The purpose of these pools is to share the cost of self-insurance with other similar cities. The Daniel & Henry Company provides claims administration for both of the trusts.

OTHER INFORMATION

Independent Audit

City ordinances require an annual audit of the books, financial records, and transactions which comprise all of the funds and account groups of the City by an independent certified public accountant selected by the City Council. This ordinance has been complied with, and the independent auditors' report is included with this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report issued for the fiscal year ended December 31, 1997. This was the ninth consecutive year

the City has received this prestigious award, an impressive accomplishment for the City's tenth full year of operation.

In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City of Chesterfield also received the Government Finance Officers Association's Award for Distinguished Budget Presentation for its annual budget for fiscal year 1998. This was the eighth consecutive year that the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document met the program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

Acknowledgements

This report could not have been completed without the assistance of the entire administrative staff of the various departments of the City. We would like to especially acknowledge the dedicated services and help of the staff members in the Finance and Administration Department. The Finance and Administration staff were key components of maintaining the City's accounting systems, and their contribution was invaluable.

We would also like to thank our auditors, KPMG LLP, for their help in formulating this report. Our sincere gratitude is extended to you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Michael G. Herring
City Administrator



Janet S. Hawn
Director of Finance and Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chesterfield,
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1997

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.



Douglas R. Ellaworth
President

Jeffrey L. Esler
Executive Director

CITY OF CHESTERFIELD, MISSOURI

City Officials

MAYOR

Nancy Greenwood

COUNCIL MEMBERS

Ward 1:

Barry Flachsbart

Allan Sheppard

Ward 2:

Barry Streeter

Larry Grosser

Ward 3:

Daniel Hurt

Mike Casey

Ward 4:

Linda Tilley

Mary K. Brown

CITY ADMINISTRATOR

Michael G. Herring

**DIRECTOR OF FINANCE AND
ADMINISTRATION**

Janet S. Hawn

CITY CLERK

Marty DeMay

POLICE CHIEF

Ray Johnson

DIRECTOR OF PLANNING

Teresa Price

DIRECTOR OF PUBLIC WORKS

Michael O. Geisel

CITY ATTORNEY

Douglas R. Beach

JUDGE

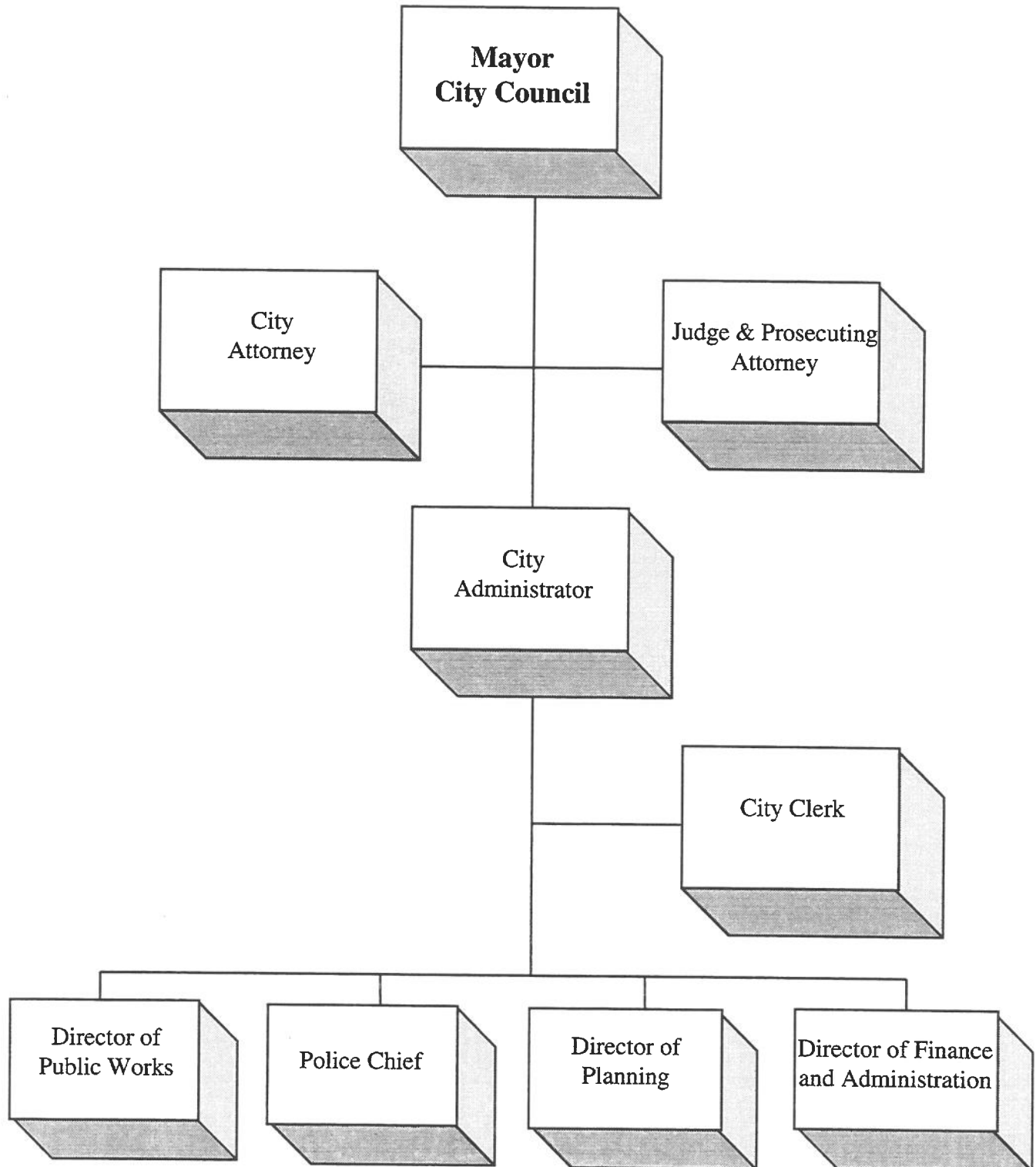
Richard K. Brunk

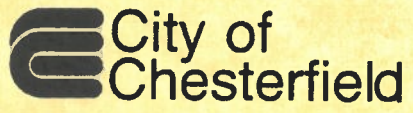
PROSECUTING ATTORNEY

Susan Hamra

CITY OF CHESTERFIELD, MISSOURI

Organizational Chart





Financial Section



10 South Broadway
Suite 900
St Louis, MO 63102-1761

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Chesterfield, Missouri:

We have audited the general purpose financial statements of the City of Chesterfield, Missouri, as of and for the year ended December 31, 1998 as listed in Part II of the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the City of Chesterfield, Missouri. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes 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 and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Chesterfield, Missouri, as of December 31, 1998, and the results of its operations and cash flows of its discretely presented component unit for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary data listed in Part II of the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Chesterfield, Missouri. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The required supplementary information on page 34 is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the City of Chesterfield, Missouri is or will become year 2000 compliant, that the City of Chesterfield, Missouri's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Chesterfield, Missouri does business are or will become year 2000 compliant.

KPMG LLP

April 9, 1999



General Purpose Financial Statements

CITY OF CHESTERFIELD, MISSOURI

Combined Balance Sheet – All Fund Types,
Account Groups, and Discretely
Presented Component Unit

December 31, 1998

(with comparative totals for December 31, 1997)

<u>Assets and Other Debits</u>	Governmental fund types			
	General	Special revenue	Debt service	Capital projects
Cash and cash equivalents	\$ 2,507,233	4,005,761	335,598	672,690
Investments	6,522,723	-	241,351	2,504,620
Receivables:				
Municipal taxes	642,438	1,064,508	980,917	-
Intergovernmental	949,204	-	-	-
Interest	95,882	-	7,155	43,867
Other	213,826	-	-	-
Due from other funds	421,500	565,300	261	1,749,435
Prepaid assets	230,692	-	-	-
Property and equipment	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for general obligation bonds payable	-	-	-	-
Amount to be provided for capital lease obligation payable	-	-	-	-
Amount to be provided for tax increment financing note payable	-	-	-	-
Total assets and other debits	\$ 11,583,498	5,635,569	1,565,282	4,970,612
<u>Liabilities, Fund Equity, and Other Credits</u>				
Liabilities:				
Accounts payable	548,651	285,105	261	218,958
Accrued payroll	231,752	-	-	4,970
Accrued compensated absences	298,963	-	-	2,965
Deferred revenue	277,535	127,279	110,774	-
Due to other funds	1,801,339	121,156	115,457	698,316
Deposits held in escrow	2,500	-	-	-
General obligation bonds payable	-	-	-	-
Capital lease obligation payable	-	-	-	-
Tax increment financing note payable	-	-	-	-
Total liabilities	3,160,740	533,540	226,492	925,209
Fund equity and other credits:				
Investment in general fixed assets	-	-	-	-
Fund balances:				
Reserved for:				
Street improvements	-	-	-	-
Prepaid assets	230,692	-	-	-
Police training	14,160	-	-	-
Debt service	-	-	1,338,790	-
Capital projects	-	-	-	4,045,403
Unreserved:				
Designated for subsequent year expenditures	11,622	-	-	-
Undesignated	8,166,284	5,102,029	-	-
Equity – component unit	-	-	-	-
Total fund equity	8,422,758	5,102,029	1,338,790	4,045,403
Total fund equity and other credits	8,422,758	5,102,029	1,338,790	4,045,403
Total liabilities, fund equity, and other credits	\$ 11,583,498	5,635,569	1,565,282	4,970,612

See accompanying notes to general purpose financial statements.

Fiduciary fund type – trust and agency	Account Groups		Total (memorandum only) primary government	Discretely presented component unit	Total (memorandum only) reporting entity	
	General fixed assets	General long-term debt			1998	1997
1,422,638	-	-	8,943,920	139,567	9,083,487	9,593,339
-	-	-	9,268,694	-	9,268,694	15,617,635
-	-	-	2,687,863	-	2,687,863	2,467,884
-	-	-	949,204	-	949,204	940,816
134	-	-	147,038	-	147,038	261,945
-	-	-	213,826	7,318	221,144	239,940
-	-	-	2,736,496	-	2,736,496	350,280
-	-	-	230,692	1,078	231,770	184,288
-	20,648,671	-	20,648,671	12,006	20,660,677	17,002,558
-	-	1,338,790	1,338,790	-	1,338,790	1,755,182
-	-	22,053,337	22,053,337	-	22,053,337	23,189,663
-	-	2,412,873	2,412,873	-	2,412,873	2,510,155
-	-	3,403,318	3,403,318	-	3,403,318	2,473,318
<u>1,422,772</u>	<u>20,648,671</u>	<u>29,208,318</u>	<u>75,034,722</u>	<u>159,969</u>	<u>75,194,691</u>	<u>76,587,003</u>
2,987	-	-	1,055,962	461	1,056,423	2,387,587
-	-	-	236,722	-	236,722	180,904
-	-	-	301,928	6,920	308,848	278,447
-	-	-	515,588	-	515,588	2,076,537
228	-	-	2,736,496	-	2,736,496	350,280
1,090,458	-	-	1,092,958	-	1,092,958	774,464
-	-	23,125,000	23,125,000	-	23,125,000	24,680,000
-	-	2,680,000	2,680,000	1,945	2,681,945	2,778,449
-	-	3,403,318	3,403,318	-	3,403,318	2,473,318
<u>1,093,673</u>	<u>-</u>	<u>29,208,318</u>	<u>35,147,972</u>	<u>9,326</u>	<u>35,157,298</u>	<u>35,979,986</u>
-	20,648,671	-	20,648,671	-	20,648,671	16,986,352
329,099	-	-	329,099	-	329,099	312,842
-	-	-	230,692	-	230,692	182,308
-	-	-	14,160	-	14,160	10,434
-	-	-	1,338,790	-	1,338,790	1,755,182
-	-	-	4,045,403	-	4,045,403	11,777,310
-	-	-	11,622	-	11,622	10,090
-	-	-	13,268,313	-	13,268,313	9,416,676
-	-	-	-	150,643	150,643	155,823
<u>329,099</u>	<u>-</u>	<u>-</u>	<u>19,238,079</u>	<u>150,643</u>	<u>19,388,722</u>	<u>23,620,665</u>
<u>329,099</u>	<u>20,648,671</u>	<u>-</u>	<u>39,886,750</u>	<u>150,643</u>	<u>40,037,393</u>	<u>40,607,017</u>
<u>1,422,772</u>	<u>20,648,671</u>	<u>29,208,318</u>	<u>75,034,722</u>	<u>159,969</u>	<u>75,194,691</u>	<u>76,587,003</u>

CITY OF CHESTERFIELD, MISSOURI

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances – All Governmental
Fund Types and Similar Expendable Trust Fund

Year ended December 31, 1998
(with comparative totals for the year ended December 31, 1997)

	Governmental fund types	
	General	Special revenue
Revenues:		
Municipal taxes	\$ 10,118,049	4,720,750
Intergovernmental	3,157,552	30,099
Licenses and permits	705,325	-
Charges for services	384,594	-
Court fines and fees	479,621	-
Investment income	582,789	153,914
Miscellaneous	107,673	-
Total revenues	15,535,603	4,904,763
Expenditures:		
Current:		
Legislative	70,507	-
Administrative	1,949,709	-
Police services	4,784,141	16,083
Judicial	155,715	-
Planning and zoning	395,984	-
Public works	2,827,104	57,926
Parks and recreation	534,487	-
Capital outlay	811,177	763,095
Debt service:		
Principal	-	70,000
Interest and other charges	-	159,592
Advance refunding escrow	-	-
Total expenditures	11,528,824	1,066,696
Excess (deficiency) of revenues over expenditures	4,006,779	3,838,067
Other financing sources (uses):		
Operating transfers in	-	-
Operating transfers out	(2,014,913)	(1,924,654)
Proceeds of refunding general obligation bonds	-	-
Payment to refunded bond escrow agent	-	-
Total other financing sources (uses)	(2,014,913)	(1,924,654)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,991,866	1,913,413
Fund balances:		
Beginning of year	6,430,892	3,188,616
End of year	\$ 8,422,758	5,102,029

See accompanying notes to general purpose financial statements.

Debt service	Capital projects	Fiduciary fund type – expendable trust	Total (memorandum only)	
			1998	1997
1,235,903	–	–	16,074,702	12,472,104
–	–	–	3,187,651	3,337,035
–	–	–	705,325	663,124
–	–	–	384,594	209,030
–	–	–	479,621	409,817
35,832	450,626	16,257	1,239,418	1,576,048
–	30,000	–	137,673	55,507
<u>1,271,735</u>	<u>480,626</u>	<u>16,257</u>	<u>22,208,984</u>	<u>18,722,665</u>
–	–	–	70,507	70,157
–	–	–	1,949,709	1,947,219
–	–	–	4,800,224	4,326,367
–	–	–	155,715	169,848
–	–	–	395,984	390,307
–	–	–	2,885,030	2,625,200
–	–	–	534,487	196,713
–	9,997,595	–	11,571,867	18,442,222
1,725,000	–	–	1,795,000	501,682
1,368,860	–	–	1,528,452	1,309,962
801,487	–	–	801,487	63,442
<u>3,895,347</u>	<u>9,997,595</u>	<u>–</u>	<u>26,488,462</u>	<u>30,043,119</u>
<u>(2,623,612)</u>	<u>(9,516,969)</u>	<u>16,257</u>	<u>(4,279,478)</u>	<u>(11,320,454)</u>
2,168,580	2,061,878	–	4,230,458	2,844,850
(14,075)	(276,816)	–	(4,230,458)	(2,844,850)
10,215,000	–	–	10,215,000	14,230,000
<u>(10,162,285)</u>	<u>–</u>	<u>–</u>	<u>(10,162,285)</u>	<u>–</u>
<u>2,207,220</u>	<u>1,785,062</u>	<u>–</u>	<u>52,715</u>	<u>14,230,000</u>
(416,392)	(7,731,907)	16,257	(4,226,763)	2,909,546
<u>1,755,182</u>	<u>11,777,310</u>	<u>312,842</u>	<u>23,464,842</u>	<u>20,555,296</u>
<u>1,338,790</u>	<u>4,045,403</u>	<u>329,099</u>	<u>19,238,079</u>	<u>23,464,842</u>

CITY OF CHESTERFIELD, MISSOURI

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual –
All Governmental Fund Types

Year ended December 31, 1998

	General fund			Special revenue funds		
	Revised budget	Actual	Variance – favorable (unfavorable)	Revised budget	Actual	Variance – favorable (unfavorable)
Revenues:						
Municipal taxes	\$ 8,655,000	10,118,049	1,463,049	2,927,600	4,720,750	1,793,150
Intergovernmental	3,114,573	3,157,552	42,979	-	-	-
Licenses and permits	639,000	705,325	66,325	-	-	-
Charges for services	437,181	384,594	(52,587)	-	-	-
Court fines and fees	424,000	479,621	55,621	-	-	-
Investment income	500,000	582,789	82,789	21,000	153,914	132,914
Miscellaneous	50,650	107,673	57,023	-	-	-
Total revenues	<u>13,820,404</u>	<u>15,535,603</u>	<u>1,715,199</u>	<u>2,948,600</u>	<u>4,874,664</u>	<u>1,926,064</u>
Expenditures:						
Legislative	71,126	70,507	619	-	-	-
Administrative	2,277,140	1,977,687	299,453	-	-	-
Police services	5,077,783	5,017,840	59,943	-	-	-
Judicial	174,533	155,715	18,818	-	-	-
Planning and zoning	520,587	395,984	124,603	-	-	-
Public works	3,753,879	3,245,851	508,028	1,256,734	821,021	435,713
Parks and recreation	941,144	665,240	275,904	-	-	-
Contingency	248,460	-	248,460	-	-	-
Debt service:						
Principal	-	-	-	100,000	70,000	30,000
Interest and other charges	-	-	-	281,927	159,592	122,335
Advance refunding escrow	-	-	-	-	-	-
Total expenditures	<u>13,064,652</u>	<u>11,528,824</u>	<u>1,535,828</u>	<u>1,638,661</u>	<u>1,050,613</u>	<u>588,048</u>
Excess (deficiency) of revenues over expenditures	<u>755,752</u>	<u>4,006,779</u>	<u>3,251,027</u>	<u>1,309,939</u>	<u>3,824,051</u>	<u>2,514,112</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfer out	(2,414,651)	(2,014,913)	399,738	(1,940,851)	(1,924,654)	16,197
Proceeds of refunding general obligation bonds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	<u>(2,414,651)</u>	<u>(2,014,913)</u>	<u>399,738</u>	<u>(1,940,851)</u>	<u>(1,924,654)</u>	<u>16,197</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(1,658,899)</u>	<u>1,991,866</u>	<u>3,650,765</u>	<u>(630,912)</u>	<u>1,899,397</u>	<u>2,530,309</u>
Fund balances:						
Beginning of year:	<u>6,430,892</u>	<u>6,430,892</u>	<u>-</u>	<u>3,170,581</u>	<u>3,170,581</u>	<u>-</u>
End of year	<u>\$ 4,771,993</u>	<u>8,422,758</u>	<u>3,650,765</u>	<u>2,539,669</u>	<u>5,069,978</u>	<u>2,530,309</u>

See accompanying notes to general purpose financial statements.

Debt service funds			Capital projects funds			Total (memorandum only)		
Revised budget	Actual	Variance – favorable (unfavorable)	Revised budget	Actual	Variance – favorable (unfavorable)	Revised budget	Actual	Variance – favorable (unfavorable)
1,160,000	1,235,903	75,903	-	-	-	12,742,600	16,074,702	3,332,102
-	-	-	-	-	-	3,114,573	3,157,552	42,979
-	-	-	-	-	-	639,000	705,325	66,325
-	-	-	-	-	-	437,181	384,594	(52,587)
-	-	-	-	-	-	424,000	479,621	55,621
-	35,832	35,832	248,000	450,626	202,626	769,000	1,223,161	454,161
-	-	-	-	30,000	30,000	50,650	137,673	87,023
<u>1,160,000</u>	<u>1,271,735</u>	<u>111,735</u>	<u>248,000</u>	<u>480,626</u>	<u>232,626</u>	<u>18,177,004</u>	<u>22,162,628</u>	<u>3,985,624</u>
-	-	-	-	-	-	71,126	70,507	619
-	-	-	-	-	-	2,277,140	1,977,687	299,453
-	-	-	-	-	-	5,077,783	5,017,840	59,943
-	-	-	-	-	-	174,533	155,715	18,818
-	-	-	-	-	-	520,587	395,984	124,603
-	-	-	6,866,529	6,354,237	512,292	11,877,142	10,421,109	1,456,033
-	-	-	4,663,184	3,643,358	1,019,826	5,604,328	4,308,598	1,295,730
-	-	-	-	-	-	248,460	-	248,460
1,725,000	1,725,000	-	-	-	-	1,825,000	1,795,000	30,000
1,373,618	1,368,860	4,758	-	-	-	1,655,545	1,528,452	127,093
801,487	801,487	-	-	-	-	801,487	801,487	-
<u>3,900,105</u>	<u>3,895,347</u>	<u>4,758</u>	<u>11,529,713</u>	<u>9,997,595</u>	<u>1,532,118</u>	<u>30,133,131</u>	<u>26,472,379</u>	<u>3,660,752</u>
(2,740,105)	(2,623,612)	116,493	(11,281,713)	(9,516,969)	1,764,744	(11,956,127)	(4,309,751)	7,646,376
2,184,664	2,168,580	(16,084)	2,447,654	2,061,878	(385,776)	4,632,318	4,230,458	(401,860)
-	(14,075)	(14,075)	(276,816)	(276,816)	-	(4,632,318)	(4,230,458)	401,860
10,215,000	10,215,000	-	-	-	-	10,215,000	10,215,000	-
(10,162,285)	(10,162,285)	-	-	-	-	(10,162,285)	(10,162,285)	-
<u>2,237,379</u>	<u>2,207,220</u>	<u>(30,159)</u>	<u>2,170,838</u>	<u>1,785,062</u>	<u>(385,776)</u>	<u>52,715</u>	<u>52,715</u>	<u>-</u>
(502,726)	(416,392)	86,334	(9,110,875)	(7,731,907)	1,378,968	(11,903,412)	(4,257,036)	7,646,376
1,755,182	1,755,182	-	11,777,310	11,777,310	-	23,133,965	23,133,965	-
<u>1,252,456</u>	<u>1,338,790</u>	<u>86,334</u>	<u>2,666,435</u>	<u>4,045,403</u>	<u>1,378,968</u>	<u>11,230,553</u>	<u>18,876,929</u>	<u>7,646,376</u>

CITY OF CHESTERFIELD, MISSOURI

Statement of Revenues, Expenses, and Changes in Fund Equity –
Discretely Presented Component Unit

For the year ended June 30, 1998
(with comparative totals for the six months ended June 30, 1997)

	<u>1998</u>	<u>1997</u>
Operating revenues:		
Support	\$ 231,902	120,490
Bond issuance fees	–	40,000
Other revenue	182	2,533
Total operating revenues	<u>232,084</u>	<u>163,023</u>
Operating expenses:		
Program services	145,430	79,295
General and administrative	93,698	55,697
Depreciation	7,372	3,860
Total operating expenses	<u>246,500</u>	<u>138,852</u>
Operating income (loss)	(14,416)	24,171
Nonoperating revenues - interest income	<u>9,236</u>	<u>4,381</u>
Net income (loss)	(5,180)	28,552
Fund equity:		
Beginning of year	155,823	127,271
End of year	<u>\$ 150,643</u>	<u>155,823</u>

See accompanying notes to general purpose financial statements.

CITY OF CHESTERFIELD, MISSOURI

Statement of Cash Flows –
Discretely Presented Component Unit

For the year ended June 30, 1998
(with comparative totals for the six months ended June 30, 1997)

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating income (loss)	\$ (14,416)	24,171
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	7,372	3,860
Loss on asset disposal	–	2,163
Increase in receivables – other	(2,782)	(4,185)
(Increase) decrease in prepaid expenses	902	(902)
Increase (decrease) in accounts payable	(3,727)	2,424
Increase (decrease) in accrued compensated absences	(674)	1,312
Increase (decrease) in deferred revenue	(38,016)	38,016
Net cash provided by (used in) operating activities	<u>(51,341)</u>	<u>66,859</u>
Cash flows from capital and related financing activities:		
Purchase of property and equipment	(3,172)	(6,124)
Payment of capital lease obligation	(1,504)	(661)
Net cash used in capital and related financing activities	<u>(4,676)</u>	<u>(6,785)</u>
Cash flows from investing activities - interest received	9,236	4,381
Net increase (decrease) in cash and cash equivalents	<u>(46,781)</u>	<u>64,455</u>
Cash and cash equivalents:		
Beginning of year	186,348	121,893
End of year	<u>\$ 139,567</u>	<u>186,348</u>

See accompanying notes to general purpose financial statements.

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

December 31, 1998

(1) Summary of Significant Accounting Policies

The City of Chesterfield, Missouri (the City) was incorporated on June 1, 1988 and established a mayor/council/city administrator form of government. The City's major operations include: police protection, street maintenance and improvements, parks and recreation, general administrative services, legislative services, judicial services, and planning.

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

(a) The Financial Reporting Entity

The City defines its financial reporting entity in accordance with the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14). GASB 14 requirements for inclusion of component units are based primarily upon whether the City's governing body has any significant amount of financial accountability for potential component units. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or there is a potential for the potential component unit to provide specific financial benefits to, or impose specific financial burdens on, the City. Based on these requirements, the City's general purpose financial statements include all funds, account groups, agencies, boards, commissions, and authorities for which the City is financially accountable.

The City's financial reporting entity consists of the City and its discretely presented component unit, the Chesterfield Community Development Corporation (CCDC). The members of the governing board of CCDC are appointed by the Mayor. Although the City cannot "impose its will" on CCDC, the City of Chesterfield provides a material subsidy to the CCDC primarily to finance the operations of the organization. Together, the City and CCDC form the reporting entity for financial reporting purposes.

During 1997, the CCDC fiscal year-end was changed to June 30 from its previous fiscal year-end of December 31. The accompanying financial data presented for the CCDC reflect the twelve months of activity through June 30, 1998.

Complete financial statements of the CCDC can be obtained from their administrative offices at 135 Chesterfield Industrial Boulevard, Chesterfield, Missouri 63005.

(b) Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and related liabilities

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position. The following are the City's governmental fund types:

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

Special Revenue – 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 for specified purposes.

Debt Service – Debt service funds are used to account for the accumulation of resources for, and the payment of, certain general long-term debt principal, interest, and related costs.

Capital Projects – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital items.

Fiduciary Fund Types

Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for and reported in the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

Account Groups

Account groups are used to establish accounting control and accountability. The City's account groups are as follows:

General Fixed Assets Account Group – This account group is used to account for all fixed assets of the City.

General Long-Term Debt Account Group – This account group is used to account for the unmatured principal of its general long-term debt.

Discretely Presented Component Unit

The Chesterfield Community Development Corporation (CCDC) is included as a discretely presented component unit of the City, and is accounted for similar to a proprietary fund type. Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance. In reporting its financial activity CCDC applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or after November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

(c) Basis of Accounting

The City maintains its records and presents the financial statements of its governmental fund types and fiduciary (expendable trust and agency) fund type on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Licenses, permits, charges for services, fines and fees, and miscellaneous revenues (except investment income) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment income is recorded as earned since it is measurable and available. Utility gross receipts, sales taxes, and intergovernmental revenues (other than grants) received from other governmental units are considered "measurable" when in the hands of intermediary collecting governments and recognized as revenue at that time. Property tax revenue is recognized to the extent it is collected within the current period or expected to be collected within 60 days following the end of the current period. Property taxes not collected within 60 days following the end of the current period are recorded as deferred revenue.

Intergovernmental grants are generally recognized as revenues to the extent expenditures are incurred under the terms and conditions of the grant agreements. Any excess or deficiency of grant monies received compared to expenditures incurred is recorded as deferred revenue or amounts receivable from the grantor.

Under the accrual basis of accounting, used by the discretely presented component unit, revenues are recognized when earned and expenses are recognized when incurred.

(d) Budgetary Data

The City prepares and legally adopts an annual budget for the general fund, the Chesterfield Valley Tax Increment Financing special revenue fund, the Capital Improvement Sales Tax Trust special revenue fund, all debt service funds, and all capital projects funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. The Council follows the procedures outlined below in establishing the budgetary data reflected in the general purpose financial statements:

1. On or before November 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Expenditures may not legally exceed budgeted appropriations at the department level for the general fund and at the fund level for all other fund types.
2. Copies of the proposed budget are made available for public inspection in the office of the City Clerk for at least 10 days prior to passage of the budget. At least one public hearing is held on the budget by the City Council. Notice of the hearing is given by publication in a newspaper with general circulation in the City.
3. The budget is adopted by the City Council by the affirmative vote of a majority of the members of the City Council and approval by the Mayor on or before the last day preceding the budget year. If the budget has not been passed and approved by this time, then the budget and appropriations for the current fiscal year shall be deemed to be rebudgeted and reappropriated for the budget year until a new budget is adopted and approved.
4. All appropriations lapse at year-end.

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

Budget transfers during the year may be made as follows:

- (a) Heads of departments may make transfers within a general fund department or within all other fund type budgets in an amount up to \$2,500 with the prior approval of the Director of Finance and Administration.
- (b) Heads of departments may make transfers within a general fund department or within all other fund type budgets in an amount from \$2,500 to \$5,000 with the prior approval from the Director of Finance and Administration and the City Administrator.
- (c) Transfers greater than \$5,000 require prior approval of the majority of the City Council.

The City Council made several supplemental appropriations during the year, which increased the total budget by \$18,636,923. The majority of the supplemental appropriations were the result of an advance refunding of 1995 general obligation bonds and additional capital projects and debt service appropriations.

(e) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental fund types. Since appropriations lapse at year-end, outstanding encumbrances are reappropriated in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments.

(f) Investments

Investments are recorded at fair value. Fair value of investments is based on quoted market prices.

(g) Property and Equipment

Property and equipment are recorded as expenditures in the governmental fund types and capitalized at historical cost in the general fixed assets account group. Contributed fixed assets are recorded at fair market value at the time received.

Certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets. Depreciation is not provided on general fixed assets.

(h) Compensated Absences

The City grants vacation to all full-time employees based on years of continuous service and compensatory time is granted to all nonexempt employees for hours worked in excess of a normal work week which are not taken within the current biweekly pay period. These benefits are allowed to accumulate and to carry over, with limitation, into the next calendar year and will be paid to employees upon resignation, retirement, or death. Sick leave benefits do not vest and, accordingly, are recorded as expenditures when paid. The accrued benefit liability is recorded in the general fund since it is expected to be liquidated with available expendable resources.

(i) Interfund Transactions

From time to time the City has the following types of transactions among funds:

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

Reimbursements

Reimbursement of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Quasi-External Transactions

Charges or collections for services rendered by one fund for another are recognized as revenues of the recipient fund and expenditures or expenses of the disbursing fund. These transactions are recorded as quasi-external transactions because they would be treated as revenues and expenditures or expenses if they involved organizations external to the City.

Equity Transfers

Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from the fund equity balance.

Operating Transfers

All other interfund transfers are reported when incurred as "operating transfers in" by the recipient fund and as "operating transfers out" by the disbursing fund.

(j) Deferred Revenue

The City has received inspection fees in advance from various developers. These fees are recognized as revenue as the City performs the inspections of the developments. Also included in deferred revenue are property tax revenues, which are not collected within 60 days following the end of the current period.

On March 26, 1996, a Missouri Supreme Court decision declared Missouri's local use tax invalid. This tax was charged to residents and businesses who purchased products from out of state vendors for use in Missouri. Prior to 1998, the City had deferred the revenue recognition of all of these tax proceeds, which amounted to \$3,119,790, pending the outcome of the refund issue. During 1998, the Missouri Supreme Court held that the Missouri Director of Revenue must provide refunds only for amounts claimed. During 1998, the City paid its estimated share of the local use tax refunds to the State of Missouri, which amounted to \$1,593,350, and recognized \$1,426,410 in revenue.

(k) Reserved Fund Balances

Reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriations or is legally segregated for a specific future use.

(l) Use of Estimates

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

(m) Total (Memorandum Only) Data

Total columns in the general purpose financial statements are captioned "Total (memorandum only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation since interfund eliminations have not been made.

(n) Comparative Total Data

Comparative total data are presented for informational purposes only.

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

(2) Cash and Investments

State statutes authorize Missouri local governments to invest in obligations of the United States Treasury and United States government agencies, obligations of the State of Missouri, time certificates of deposit, and repurchase agreements. Deposits in financial institutions must be collateralized by securities pledged to the City by these same institutions.

At year-end, the carrying amount of the City's deposits was \$(643,792) and the bank balance was \$(17,761).

The City's investments are categorized below to give an indication of the level of risk assumed at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by a counterparty's trust department or agent, but not in the City's name.

	Category			Carrying value
	1	2	3	
Investments:				
U.S. Treasury and agency securities	\$ 9,268,694	-	-	9,268,694
Repurchase agreements	<u>9,568,829</u>	<u>-</u>	<u>-</u>	<u>9,568,829</u>
Total investments	<u>\$ 18,837,523</u>	<u>-</u>	<u>-</u>	18,837,523
Federated Automated Cash Reserve Pooled Account				18,883
Cash deposits				<u>(643,792)</u>
Total – primary government				<u>\$ 18,212,614</u>

(3) General Fixed Assets

A summary of changes in property and equipment within the general fixed assets account group follows:

	Balance, January 1, <u>1998</u>	Addi- tions	Deduc- tions	Balance, December 31, <u>1998</u>
Land	\$ 9,024,058	45	-	9,024,103
Building and improvements	4,237,707	3,723,718	4,211	7,957,214
Machinery and equipment	1,869,437	339,167	646,237	1,562,367
Automobiles and trucks	<u>1,855,150</u>	<u>469,740</u>	<u>219,903</u>	<u>2,104,987</u>
	<u>\$ 16,986,352</u>	<u>4,532,670</u>	<u>870,351</u>	<u>20,648,671</u>

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

A summary of changes in general fixed assets by function is as follows:

	Balance, January 1, <u>1998</u>	Addi- tions	Transfers	Deduc- tions	Balance, December 31, <u>1998</u>
Legislative	\$ 12,922	-	-	1,982	10,940
Administrative	352,389	31,039	(42,047)	77,705	263,676
Police services	795,412	233,699	(71,800)	183,874	773,437
Planning	68,303	-	(9,565)	11,137	47,602
Parks	9,973,356	3,830,685	-	12,479	13,791,562
Public works	<u>5,783,970</u>	<u>437,247</u>	<u>123,412</u>	<u>583,175</u>	<u>5,761,454</u>
	<u>\$ 16,986,352</u>	<u>4,532,670</u>	<u>-</u>	<u>870,351</u>	<u>20,648,671</u>

A summary of general fixed assets by function is as follows:

	<u>Land</u>	<u>Buildings and improvements</u>	<u>Machinery and equip- ment</u>	<u>Automo- biles and trucks</u>	<u>Total</u>
Legislative	\$ -	-	-	10,940	10,940
Administrative	-	-	226,668	37,008	263,676
Police services	-	25,828	192,030	555,579	773,437
Planning	-	-	18,518	29,084	47,602
Parks	8,364,031	5,207,349	184,383	35,799	13,791,562
Public works	<u>660,072</u>	<u>2,724,037</u>	<u>940,768</u>	<u>1,436,577</u>	<u>5,761,454</u>
	<u>\$ 9,024,103</u>	<u>7,957,214</u>	<u>1,562,367</u>	<u>2,104,987</u>	<u>20,648,671</u>

The source of all general fixed assets is as follows:

General fund	\$ 4,503,115
Capital projects funds	<u>16,144,556</u>
	<u>\$ 20,648,671</u>

(4) Property Taxes

The City's property tax is levied each September based on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are billed in November, due and collectible on December 31, and delinquent after December 31. Liens are placed on property for delinquent taxes on the January 1 following the due date. The City's tax rate was levied at \$.13 per \$100 of assessed valuation and is for retirement of general obligation bonds payable.

Taxes levied for 1998 are recorded as receivables, net of estimated uncollectible amounts; however, revenue recognition on all property tax receivables not collected within 60 days after year-end is deferred. The 1998 levy was due and collectible within the City's fiscal year ended December 31, 1998.

All property tax assessment, billing, and collection functions are handled by the St. Louis County government. Taxes collected are remitted to the City by the St. Louis County Collector (the County Collector) in the month

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

subsequent to the actual collection date. Taxes held by the County Collector, if any, are included in taxes receivable in the accompanying general purpose financial statements.

(5) 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 insurance trusts for workers' compensation (St. Louis Area Insurance Trust – SLAIT) and for general liability matters (Property and Casualty Trust – PACT). The purpose of these trusts is to distribute the cost of self-insurance over similar entities. The trusts require an annual premium payment from 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 trusts; however, the City is contingently liable to fund its pro rata share of any deficit incurred by the trusts should the trusts cease operations at some future date. The trusts have contracted with an insurance agent to handle all administrative matters, including processing of claims filed. The City's 1998 premium payments to the trusts were \$220,375.

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

(6) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In 1997, the deferred compensation plan was amended to comply with amendments to Section 457 of the Internal Revenue Code of 1986. Trust provisions were incorporated so that plan assets are held in trust for the exclusive benefit of participants and their beneficiaries under Section 1448 of the Small Business Job Protection Act of 1996. As a result, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, As of December 31, 1997, the asset and liabilities of the deferred compensation plan are no longer included in the accompanying general purpose financial statements.

(7) Retirement Plan

In 1989, the City established a money purchase retirement plan (a defined contribution plan) funded through Manufacturers Life Insurance Company. All employees are eligible to participate in the plan after they have completed one year of service and attained the age of 18. Per City ordinance, the City contributes an amount equal to 8% of compensation of eligible participants. No contribution is required from employees. All employees vest 20% after three years of service and an additional 20% per year thereafter, making the employees fully vested after seven years of credited service. The City's contribution for 1998 was \$364,935 or 8% of covered payroll, less any forfeitures from terminated nonvested employees.

Total covered payroll for the year was \$4,798,278 or 79% of the total City payroll of \$6,049,199.

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

(8) Budgetary Control

For the year ended December 31, 1998, expenditures exceeded appropriations in the capital projects - R & S Construction fund in the amount of \$20,322 as a result of actual expenditures exceeding preliminary budget estimates.

State statutes prohibit deficit budgeting by requiring that estimated expenditures for the period may not exceed estimated revenues for the period plus unencumbered fund balances at the beginning of the period. During 1998, the City budgeted a deficit in the capital projects - Levee/Drainage fund due to the reappropriation of prior year encumbrances.

(9) Interfund Balance

Individual fund interfund receivable and payable balances as of December 31, 1998 are as follows:

	<u>Receivable fund</u>	<u>Payable fund</u>
General	\$ 421,500	1,801,339
Special revenue:		
Chesterfield Valley Tax Increment Financing	565,300	-
Capital Improvement Sales Tax Trust	-	121,156
Debt service:		
Parks - 1995	-	100,000
Public Work Facility - 1995	261	261
R & S - 1997	-	15,196
Capital projects:		
Levee/Drainage	-	276,816
Park Construction	1,722,250	421,500
R & S Construction	27,185	-
Agency - Bail Bond	-	228
	<u>\$ 2,736,496</u>	<u>2,736,496</u>

(10) Obligations Under Operating Lease Agreements

The City leases equipment under certain operating lease agreements with terms in excess of one year. Annual aggregate lease payments remaining under the terms of the operating lease agreements as of December 31, 1998 are as follows:

1999	\$ 396,770
2000	67,810
2001	<u>4,955</u>
	<u>\$ 469,535</u>

Total rent expenditures of \$344,645 for the year ended December 31, 1998 are included as contractual services expenditures of the general fund.

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

(11) General Long-Term Debt

The following is a summary of the City's general long-term debt transactions for the year ended December 31, 1998:

	General obligation bonds <u>payable</u>	Capital lease obligation <u>payable</u>	Tax increment financing note <u>payable</u>
Balance, January 1, 1998	\$ 24,680,000	2,775,000	2,473,318
New debt issued	10,215,000	-	1,000,000
Debt defeased	(10,140,000)	-	-
Debt retired	<u>(1,630,000)</u>	<u>(95,000)</u>	<u>(70,000)</u>
Balance, December 31, 1998	\$ <u>23,125,000</u>	<u>2,680,000</u>	<u>3,403,318</u>

General Obligation Bonds Payable

In May 1998, the City issued \$10,215,000 in General Obligation Refunding Bonds, Series 1998 to advance refund \$10,140,000 of outstanding Series 1995 General Obligation Bonds. The Series 1998 bonds bear interest ranging from 4.3% to 7.3% and are repaid through a debt service fund. The net proceeds of the Series 1998 bonds plus an additional \$801,487 of City monies were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the \$10,140,000 principal of the 1995 Series bonds. As a result, the 1995 Series bonds are considered to be defeased and the liability for these bonds has been removed from the general long-term debt account group.

The City advance refunded the 1995 Series bonds to reduce its total debt service payments by approximately \$760,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$282,000.

In February 1997, the City issued \$14,230,000 in General Obligation Bonds, Series 1997, the proceeds of which are to be used for the construction, repair and improvements to streets, curbing and sidewalks. The bonds bear interest ranging from 4.15% to 7.125% and are repaid through a debt service fund.

The annual principal and interest requirements to maturity of the general obligation bonds as of December 31, 1998 are as follows:

	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 1,845,000	1,122,763	2,967,763
2000	795,000	1,033,854	1,828,854
2001	840,000	986,803	1,826,803
2002	900,000	941,229	1,841,229
2003	950,000	899,247	1,849,247
2004 and thereafter	<u>17,795,000</u>	<u>6,558,435</u>	<u>24,353,435</u>
	\$ <u>23,125,000</u>	<u>11,542,331</u>	<u>34,667,331</u>

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

Capital Lease Obligation

In August 1995, the City issued \$2,950,000 in Certificates of Participation which represent proportionate interests in base rentals to be paid by the City pursuant to an annually renewable lease/purchase agreement dated August 1, 1995 between the City and Magna Trust Company, St. Louis, Missouri (the trustee/lessor). The trustee has agreed to execute and deliver certificates pursuant to a declaration and indenture of trust to finance the City's acquisition and construction of a public works maintenance facility. The base rentals constitute rent for the facility pursuant to the lease. The certificates of participation bear interest ranging from 4.7% to 5.8% and are repaid through a transfer of general fund operating revenues to a debt service fund.

The annual principal and interest requirements to maturity of the capital lease obligation as of December 31, 1998 are as follows:

1999	\$	248,348
2000		243,413
2001		248,478
2002		248,073
2003		247,433
2004 and thereafter		<u>2,962,544</u>
Total future minimum lease payments		4,198,289
Less amount representing interest		<u>1,518,289</u>
Present value of net minimum lease payments	\$	<u>2,680,000</u>

Tax Increment Financing Notes Payable

In 1998, the City issued \$1,000,000 in Tax Increment Financing Notes, Series 1998, for the purpose of paying a portion of the redevelopment project costs in connection with the "Chesterfield Valley Tax Increment Financing Redevelopment Plan." Beginning February 15, 1999, interest is payable semiannually, at a rate of 5.68%, with a final interest payment due on February 15, 2017.

In 1996, the City issued \$2,600,000 in Tax Increment Financing Notes, Series 1996-1, for the purpose of paying a portion of the redevelopment project costs in connection with the "Chesterfield Valley Tax Increment Financing Redevelopment Plan". Beginning February 15, 1997, interest is payable semiannually, at a rate of 5.93%, with a final interest payment due on February 15, 2016.

The annual principal and interest requirements to maturity of the notes payable as of December 31, 1998 are as follows:

	<u>Tax Increment Financing Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 100,000	186,898	286,898
2000	105,000	190,533	295,533
2001	120,000	183,798	303,798
2002	125,000	176,621	301,621
2003	135,000	169,007	304,007
2004 and thereafter	<u>2,818,318</u>	<u>1,233,920</u>	<u>4,052,238</u>
	\$ <u>3,403,318</u>	<u>2,140,777</u>	<u>5,544,095</u>

(12) Individual Fund Deficits

At June 30, 1998, the debt service – R & S – 1997 fund accumulated fund deficit of \$286 is the result of increased debt service costs.

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

(13) Reconciliation of GAAP Basis to Budget Basis

Adjustments necessary to convert the results of operations and fund balances of the special revenue fund type as of December 31, 1998 on the GAAP basis to the budget basis are as follows:

Fund balances:

GAAP basis	\$ 5,102,029
Unbudgeted fund	<u>(32,051)</u>
Budget basis	\$ <u>5,069,978</u>

Excess of revenues and other financing sources
over expenditures and other financing uses:

GAAP basis	\$ 1,913,413
Unbudgeted fund	<u>(14,016)</u>
Budget basis	\$ <u>1,899,397</u>

(14) Commitments and Contingencies

Various legal claims have arisen during the normal course of business which, in the opinion of management after discussion with legal counsel, will not result in any material liability to the City.

(15) Discretely Presented Component Unit – Chesterfield Community Development Corporation

The following notes relate only to the Chesterfield Community Development Corporation (CCDC):

(a) Organization

The CCDC was formed May 5, 1992 under the official name "Industrial Development Authority of the City of Chesterfield, Missouri". It is, however, registered to conduct business as the "Chesterfield Community Development Corporation". The CCDC is a qualified not-for-profit organization under Section 501(c)(6) of the Internal Revenue Code. The purpose of the CCDC is to promote and solicit industrial, economic, and community development activities within the City to provide balanced growth in the City. The CCDC may issue tax-exempt revenue bonds, notes, or other obligations on behalf of non-profit institutions and other organizations for the purpose of construction, improvement of facilities or the refinancing of outstanding debt. These bonds, notes, or other obligations and the interest thereon do not constitute a debt or liability of the CCDC or the City, but are special obligations between the investors and debtors payable solely from the repayments received by the Trustees under the loan agreements. Industrial development bonds totaling \$19,500,000 in 1997 were issued by the CCDC. The fiscal year end of CCDC was changed during 1997 to June 30 from its previous fiscal year end of December 31.

(b) Cash and Cash Equivalents

The bank balance of cash and cash equivalents at June 30, 1998 was covered by Federal Depository Insurance or collateralized with securities held by CCDC or its agent in CCDC's name. The CCDC is allowed to invest in obligations of the United States or obligations of financial institutions which are insured by governmental agencies.

(c) Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation. Depreciation is provided over five to seven years using accelerated methods.

CITY OF CHESTERFIELD, MISSOURI

Notes to General Purpose Financial Statements

(d) Statement of Cash Flows

For the purpose of the statement of cash flows, the CCDC considers all highly liquid debt instruments (cash and certificates of deposit) purchased with a maturity of three months or less to be cash equivalents.

(e) Conduit Debt Obligations

Various forms of tax-exempt and taxable indebtedness issued by CCDC have been loaned to institutions which are required to make payments to the trustees sufficient to meet principal and interest requirements of the related obligation. The aggregate principal amount of outstanding revenue bonds at June 30, 1998 was \$42,083,510.

CITY OF CHESTERFIELD, MISSOURI

Required Supplementary Information – UNAUDITED

Year ended December 31, 1998

YEAR 2000 COMPLIANCE:

The City of Chesterfield is currently addressing year 2000 issues relating to its computer systems and other electronic equipment. The year 2000 issue refers to the fact that many computer systems use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to as "00." Computer systems have to be adjusted to recognize the difference between those two years or the system may fail or cause errors. Also, some systems may not be programmed to recognize that 2000 is a leap year. Further, the year 2000 issue could affect electronic equipment—such as traffic signals, elevators, and vehicles—containing computer chips that have date recognition features.

The City began addressing its year 2000 project during 1996 focusing on various computer systems that are critical to conducting the City's operations. The Director of Finance and Administration has led this ongoing effort in consultation with other Department Directors. Compliance efforts of the various departments are reported on a periodic basis at management staff meetings. Individual departments have been delegated the responsibility for the year 2000 compliance of systems and equipment that are not mission-critical to the City.

The City has identified the computer systems and electronic equipment groups that are mission-critical (that is, critical to conducting operations). These systems and equipment groups affect public safety, public health, financial, and personnel aspects of the City's operations. The City is subjecting those systems and equipment to the following stages of work to address year 2000 issues:

Awareness stage—Establishing a budget and project plan for dealing with the year 2000 issue.

Assessment stage—Identifying the systems and components for which year 2000 compliance work is needed.

Remediation stage—Making changes to systems and equipment to address year 2000 compliance.

Validation/testing stage—Validating and testing the changes that were made during the remediation stage.

The City has substantially completed the awareness and assessment stages for all of its mission-critical systems and electronic equipment groups. The remediation and validation/testing stages are in the process of being completed for all systems and equipment groups considered mission-critical.

As of year-end, the City has no significant commitments with outside vendors for assistance in addressing year 2000 issues.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City is or will be year 2000 ready, that the City's remediation efforts will be successful in whole or in part, or that parties with whom the City does business will be year 2000 ready.

Supplementary Data

General Fund

The general fund is used to account for all financial resources except those required to be accounted for in another fund.

Schedule 1

CITY OF CHESTERFIELD, MISSOURI

Schedule of Revenues and Expenditures – Budget
and Actual – General Fund

Year ended December 31, 1998

	<u>Revised budget</u>	<u>Actual</u>	Variance – favorable (unfavorable)
Revenues:			
Municipal taxes:			
Utility gross receipts	\$ 3,798,000	3,787,097	(10,903)
Sales taxes	4,857,000	6,330,952	1,473,952
Total municipal taxes	<u>8,655,000</u>	<u>10,118,049</u>	<u>1,463,049</u>
Intergovernmental:			
Cigarette tax	198,000	190,713	(7,287)
Motor fuel and vehicle sales taxes	1,665,000	1,680,154	15,154
Road and bridge tax	983,000	998,344	15,344
Grants and other	268,573	288,341	19,768
Total intergovernmental	<u>3,114,573</u>	<u>3,157,552</u>	<u>42,979</u>
License and permits	639,000	705,325	66,325
Charges for services:			
Inspection and subdivision fees	88,500	94,786	6,286
Zoning applications	15,000	10,842	(4,158)
Police reports	17,000	17,755	755
False alarms	35,000	38,000	3,000
Other charges	281,681	223,211	(58,470)
Total charges for services	<u>437,181</u>	<u>384,594</u>	<u>(52,587)</u>
Court fines and fees	424,000	479,621	55,621
Investment income	500,000	582,789	82,789
Miscellaneous	50,650	107,673	57,023
Total revenues	<u>13,820,404</u>	<u>15,535,603</u>	<u>1,715,199</u>
Expenditures:			
Legislative – Mayor's office and City Council:			
Personal services	64,776	64,751	25
Contractual services	5,400	4,858	542
Commodities	950	898	52
Total legislative	<u>71,126</u>	<u>70,507</u>	<u>619</u>
Administrative:			
City Clerk:			
Personal services	139,520	115,331	24,189
Contractual services	43,901	32,019	11,882
Commodities	500	36	464
Legal services:			
Contractual services	160,325	122,220	38,105
City Administrator:			
Personal services	148,048	141,386	6,662
Contractual services	6,340	5,620	720
Commodities	550	779	(229)

(Continued)

CITY OF CHESTERFIELD, MISSOURI

Schedule of Revenues and Expenditures – Budget
and Actual – General Fund, Continued

	Revised budget	Actual	Variance – favorable (unfavorable)
Expenditures, continued:			
Finance:	\$		
Personal services	227,366	221,832	5,534
Contractual services	202,004	173,589	28,415
Commodities	3,700	2,180	1,520
Capital outlay	4,000	4,023	(23)
Central services:			
Contractual services	980,241	867,563	112,678
Commodities	56,500	62,103	(5,603)
Capital outlay	9,000	14,187	(5,187)
Information systems :			
Personal services	136,696	133,185	3,511
Contractual services	139,504	65,692	73,812
Commodities	8,945	6,174	2,771
Capital outlay	10,000	9,768	232
Total administrative	<u>2,277,140</u>	<u>1,977,687</u>	<u>299,453</u>
Police services:			
Personal services	4,193,822	4,156,274	37,548
Contractual services	471,271	448,436	22,835
Commodities	178,824	179,431	(607)
Capital outlay	233,866	233,699	167
Total police services	<u>5,077,783</u>	<u>5,017,840</u>	<u>59,943</u>
Judicial – Municipal Court:			
Personal services	94,415	92,920	1,495
Contractual services	77,918	60,825	17,093
Commodities	2,200	1,970	230
Total judicial	<u>174,533</u>	<u>155,715</u>	<u>18,818</u>
Planning and zoning:			
Personal services	420,651	352,477	68,174
Contractual services	83,631	29,518	54,113
Commodities	16,305	13,989	2,316
Total planning and zoning	<u>520,587</u>	<u>395,984</u>	<u>124,603</u>

(Continued)

Schedule 1, Cont.

CITY OF CHESTERFIELD, MISSOURI

Schedule of Revenues and Expenditures – Budget
and Actual – General Fund, Continued

	<u>Revised budget</u>	<u>Actual</u>	Variance – favorable (unfavorable)
Expenditures, continued:			
Public works:			
Administration and engineering:			
Personal services	\$ 666,883	616,657	50,226
Contractual services	131,644	87,127	44,517
Commodities	40,487	34,806	5,681
Capital outlay	38,813	36,079	2,734
Street and sewer maintenance:			
Personal services	1,178,588	1,019,250	159,338
Contractual services	419,856	401,817	18,039
Commodities	508,616	437,047	71,569
Capital outlay	454,933	350,622	104,311
Vehicle maintenance:			
Personal services	219,343	184,823	34,520
Contractual services	6,750	5,843	907
Commodities	44,856	38,674	6,182
Capital outlay	38,110	32,046	6,064
Street lighting – contractual services	5,000	1,060	3,940
Total public works	<u>3,753,879</u>	<u>3,245,851</u>	<u>508,028</u>
Parks and recreation –			
Administration:			
Personal services	300,295	169,772	130,523
Contractual services	356,978	274,842	82,136
Commodities	110,058	89,873	20,185
Capital outlay	173,813	130,753	43,060
Total parks and recreation	<u>941,144</u>	<u>665,240</u>	<u>275,904</u>
Contingency	<u>248,460</u>	<u>–</u>	<u>248,460</u>
Total expenditures	<u>13,064,652</u>	<u>11,528,824</u>	<u>1,535,828</u>
Excess of revenues over expenditures	<u>\$ 755,752</u>	<u>4,006,779</u>	<u>3,251,027</u>

See accompanying independent auditors' report.

Special Revenue Funds

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 for specified purposes. The following special revenue funds are maintained by the City:

Chesterfield Valley Tax Increment Financing – This fund is used to account for special revenues received from the Chesterfield Valley TIF District which are required to be segregated into a special allocation fund and designated for use in the TIF district only.

Police Forfeiture – This fund is used to account for special revenues received which are specifically earmarked for future expenditures in the area of public safety.

Capital Improvement Sales Tax Trust – This fund is used to account for special revenues received from the capital improvement sales tax which are specifically earmarked for capital improvements.

Schedule 2

CITY OF CHESTERFIELD, MISSOURI

Combining Balance Sheet – Special Revenue Funds

December 31, 1998

<u>Assets</u>	<u>Chesterfield Valley Tax Increment Financing</u>	<u>Police Forfeiture</u>	<u>Capital Improvement Sales Tax Trust</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,354,414	32,961	2,618,386	4,005,761
Receivables – municipal taxes	785,254	–	279,254	1,064,508
Due from other funds	565,300	–	–	565,300
Total assets	<u>\$ 2,704,968</u>	<u>32,961</u>	<u>2,897,640</u>	<u>5,635,569</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	284,195	910	–	285,105
Deferred revenue	127,279	–	–	127,279
Due to other funds	–	–	121,156	121,156
Total liabilities	<u>411,474</u>	<u>910</u>	<u>121,156</u>	<u>533,540</u>
Fund balances	<u>2,293,494</u>	<u>32,051</u>	<u>2,776,484</u>	<u>5,102,029</u>
Total liabilities and fund balance:	<u>\$ 2,704,968</u>	<u>32,961</u>	<u>2,897,640</u>	<u>5,635,569</u>

See accompanying independent auditors' report.

CITY OF CHESTERFIELD, MISSOURI

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances – Special Revenue Funds

Year ended December 31, 1998

	Chesterfield Valley Tax Increment <u>Financing</u>	Police Forfeiture	Capital Improvement Sales Tax Trust	<u>Total</u>
Revenues:				
Municipal taxes:				
Property taxes	\$ 842,252	-	-	842,252
Utility gross receipts	81,797	-	-	81,797
Sales taxes	864,904	-	2,931,797	3,796,701
Total municipal taxes	<u>1,788,953</u>	<u>-</u>	<u>2,931,797</u>	<u>4,720,750</u>
Intergovernmental	-	30,099	-	30,099
Investment income	71,266	-	82,648	153,914
Total revenues	<u>1,860,219</u>	<u>30,099</u>	<u>3,014,445</u>	<u>4,904,763</u>
Expenditures:				
Current:				
Police services	-	16,083	-	16,083
Public works	57,926	-	-	57,926
Capital outlay	763,095	-	-	763,095
Debt service:				
Principal	70,000	-	-	70,000
Interest and other charges	159,592	-	-	159,592
Total expenditures	<u>1,050,613</u>	<u>16,083</u>	<u>-</u>	<u>1,066,696</u>
Excess of revenues over expenditures	809,606	14,016	3,014,445	3,838,067
Other financing uses – operating transfers out	<u>-</u>	<u>-</u>	<u>(1,924,654)</u>	<u>(1,924,654)</u>
Excess of revenues over expenditures and other financing uses	809,606	14,016	1,089,791	1,913,413
Fund balances:				
Beginning of year	1,483,888	18,035	1,686,693	3,188,616
End of year	<u>\$ 2,293,494</u>	<u>32,051</u>	<u>2,776,484</u>	<u>5,102,029</u>

See accompanying independent auditors' report.

Schedule 4

CITY OF CHESTERFIELD, MISSOURI

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual –
Special Revenue Funds

Year ended December 31, 1998

	Chesterfield Valley Tax Increment Financing			Capital Improvement Sales Tax Trust			Total		
	Revised budget	Actual	Variance – favorable (unfavorable)	Revised Budget	Actual	Variance - favorable (unfavorable)	Revised budget	Actual	Variance – favorable (unfavorable)
Revenues:									
Municipal taxes:									
Property taxes	\$ 585,000	842,252	257,252	-	-	-	585,000	842,252	257,252
Utility gross receipts	55,100	81,797	26,697	-	-	-	55,100	81,797	26,697
Sales taxes	262,500	864,904	602,404	2,025,000	2,931,797	906,797	2,287,500	3,796,701	1,509,201
Total municipal taxes	902,600	1,788,953	886,353	2,025,000	2,931,797	906,797	2,927,600	4,720,750	1,793,150
Investment income	21,000	71,266	50,266	-	82,648	82,648	21,000	153,914	132,914
Total revenues	923,600	1,860,219	936,619	2,025,000	3,014,445	989,445	2,948,600	4,874,664	1,926,064
Expenditures:									
Current:									
Public works	1,256,734	821,021	435,713	-	-	-	1,256,734	821,021	435,713
Debt service:									
Principal	100,000	70,000	30,000	-	-	-	100,000	70,000	30,000
Interest and other charges	281,927	159,592	122,335	-	-	-	281,927	159,592	122,335
Total expenditures	1,638,661	1,050,613	588,048	-	-	-	1,638,661	1,050,613	588,048
Excess (deficiency) of revenues over expenditures	(715,061)	809,606	1,524,667	2,025,000	3,014,445	989,445	1,309,939	3,824,051	2,514,112
Other financing uses-									
operating transfers out	-	-	-	(1,940,851)	(1,924,654)	16,197	(1,940,851)	(1,924,654)	16,197
Excess (deficiency) of revenues over expenditures and other financing uses	(715,061)	809,606	1,524,667	84,149	1,089,791	1,005,642	(630,912)	1,899,397	2,530,309
Fund balances:									
Beginning of year	1,483,888	1,483,888	-	1,686,693	1,686,693	-	3,170,581	3,170,581	-
End of year	\$ 768,827	2,293,494	1,524,667	1,770,842	2,776,484	1,005,642	2,539,669	5,069,978	2,530,309

See accompanying independent auditors' report.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, certain general long-term debt principal, interest, and related costs. The following debt service funds are maintained by the City:

1998 Parks – This fund is used to account for the accumulation of resources and payment of general obligation principal and interest on the parks General Obligation Bond issue, Series 1998 which advance refunded the General Obligation Bond issue, Series 1995.

1995 Public Works Facility – This fund is used to account for the accumulation of resources and payment of principal and interest on the Public Works Facility Certificates of Participation, Series 1995.

1997 R & S – This fund is used to account for the accumulation of resources and payment of principal and interest on the road and sidewalk General Obligation Bond issue, Series 1997.

Schedule 5

CITY OF CHESTERFIELD, MISSOURI

Combining Balance Sheet – Debt Service Funds

December 31, 1998

<u>Assets</u>	<u>Parks – 1998</u>	<u>Public Works Facility – 1995</u>	<u>R & S – 1997</u>	<u>Total</u>
Cash and cash equivalents	\$ 301,806	18,882	14,910	335,598
Investments	–	241,351	–	241,351
Receivables:				
Municipal taxes	980,917	–	–	980,917
Interest	–	7,155	–	7,155
Due from other funds	–	261	–	261
Total assets	<u>\$ 1,282,723</u>	<u>267,649</u>	<u>14,910</u>	<u>1,565,282</u>
<u>Liabilities and Fund Balances (Deficit)</u>				
Liabilities:				
Accounts payable	–	261	–	261
Deferred revenue	110,774	–	–	110,774
Due to other funds	100,000	261	15,196	115,457
Total liabilities	<u>210,774</u>	<u>522</u>	<u>15,196</u>	<u>226,492</u>
Fund balances (deficit) – reserved for debt service	1,071,949	267,127	(286)	1,338,790
Total liabilities and fund balances	<u>\$ 1,282,723</u>	<u>267,649</u>	<u>14,910</u>	<u>1,565,282</u>

See accompanying independent auditors' report.

CITY OF CHESTERFIELD, MISSOURI

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances (Deficit) – Debt Service Funds

Year ended December 31, 1998

	Parks – 1998	Public Works Facility – 1995	R & S – 1997	Total
Revenues:				
Municipal taxes – property taxes	\$ 1,235,903	–	–	1,235,903
Investment income	19,060	16,244	528	35,832
Total revenues	<u>1,254,963</u>	<u>16,244</u>	<u>528</u>	<u>1,271,735</u>
Expenditures – debt service:				
Principal	310,000	95,000	1,320,000	1,725,000
Interest and other charges	500,730	148,813	719,317	1,368,860
Advance refunding escrow	801,487	–	–	801,487
Total expenditures	<u>1,612,217</u>	<u>243,813</u>	<u>2,039,317</u>	<u>3,895,347</u>
Deficiency of revenues over expenditures	<u>(357,254)</u>	<u>(227,569)</u>	<u>(2,038,789)</u>	<u>(2,623,612)</u>
Other financing sources:				
Operating transfers in	–	243,926	1,924,654	2,168,580
Operating transfers out	–	(14,075)	–	(14,075)
Proceeds of refunding general obligation bonds	10,215,000	–	–	10,215,000
Payment to refunded bond escrow agent	<u>(10,162,285)</u>	–	–	<u>(10,162,285)</u>
Total other financing sources	<u>52,715</u>	<u>229,851</u>	<u>1,924,654</u>	<u>2,207,220</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(304,539)</u>	<u>2,282</u>	<u>(114,135)</u>	<u>(416,392)</u>
Fund balances (deficit):				
Beginning of year	<u>1,376,488</u>	<u>264,845</u>	<u>113,849</u>	<u>1,755,182</u>
End of year	<u><u>1,071,949</u></u>	<u><u>267,127</u></u>	<u><u>(286)</u></u>	<u><u>1,338,790</u></u>

See accompanying independent auditors' report.

CITY OF CHESTERFIELD, MISSOURI

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances (Deficit) – Budget and Actual –
Debt Service Funds

Year ended December 31, 1998

	Parks – 1998			Public Works Facility – 1995		
	Revised budget	Actual	Variance – favorable (unfavorable)	Revised budget	Actual	Variance – favorable (unfavorable)
Revenues:						
Municipal taxes – property taxes	\$ 1,160,000	1,235,903	75,903	–	–	–
Investment income	–	19,060	19,060	–	16,244	16,244
Total revenues	<u>1,160,000</u>	<u>1,254,963</u>	<u>94,963</u>	<u>–</u>	<u>16,244</u>	<u>16,244</u>
Expenditures – debt service:						
Principal	310,000	310,000	–	95,000	95,000	–
Interest and other charges	504,773	500,730	4,043	148,813	148,813	–
Advance refunding escrow	801,487	801,487	–	–	–	–
Total expenditures	<u>1,616,260</u>	<u>1,612,217</u>	<u>4,043</u>	<u>243,813</u>	<u>243,813</u>	<u>–</u>
Excess (deficiency) of revenues over expenditures	<u>(456,260)</u>	<u>(357,254)</u>	<u>99,006</u>	<u>(243,813)</u>	<u>(227,569)</u>	<u>16,244</u>
Other financing sources (uses):						
Operating transfers in	–	–	–	243,813	243,926	113
Operating transfers out	–	–	–	–	(14,075)	(14,075)
Proceeds of refunding general obligation bonds	10,215,000	10,215,000	–	–	–	–
Payment to refunded bond escrow agent	(10,162,285)	(10,162,285)	–	–	–	–
Total other financing sources (uses)	<u>52,715</u>	<u>52,715</u>	<u>–</u>	<u>243,813</u>	<u>229,851</u>	<u>(13,962)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>(403,545)</u>	<u>(304,539)</u>	<u>99,006</u>	<u>–</u>	<u>2,282</u>	<u>2,282</u>
Fund balances (deficit):						
Beginning of year	1,376,488	1,376,488	–	264,845	264,845	–
End of year	<u>\$ 972,943</u>	<u>1,071,949</u>	<u>99,006</u>	<u>264,845</u>	<u>267,127</u>	<u>2,282</u>

See accompanying independent auditors' report.

Schedule 7

R & S - 1997			Total		
Revised budget	Actual	Variance - favorable (unfavorable)	Revised budget	Actual	Variance - favorable (unfavorable)
-	-	-	1,160,000	1,235,903	75,903
-	528	528	-	35,832	35,832
-	528	528	1,160,000	1,271,735	111,735
1,320,000	1,320,000	-	1,725,000	1,725,000	-
720,032	719,317	715	1,373,618	1,368,860	4,758
-	-	-	801,487	801,487	-
2,040,032	2,039,317	715	3,900,105	3,895,347	4,758
(2,040,032)	(2,038,789)	1,243	(2,740,105)	(2,623,612)	116,493
1,940,851	1,924,654	(16,197)	2,184,664	2,168,580	(16,084)
-	-	-	-	(14,075)	(14,075)
-	-	-	10,215,000	10,215,000	-
-	-	-	(10,162,285)	(10,162,285)	-
1,940,851	1,924,654	(16,197)	2,237,379	2,207,220	(30,159)
(99,181)	(114,135)	(14,954)	(502,726)	(416,392)	86,334
113,849	113,849	-	1,755,182	1,755,182	-
14,668	(286)	(14,954)	1,252,456	1,338,790	86,334

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for acquisition or construction of major capital facilities. The following capital projects funds are maintained by the City:

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

Levee/Drainage – This fund is used to account for all major capital improvement projects involving stormwater and levee projects in Chesterfield Valley.

Park Construction – This fund is used to account for financial resources designated for the acquisition of land for parks and the construction of parks facilities.

R & S Construction – This fund used to account for financial resources designated for road and sidewalk construction or improvements.

Schedule 8

CITY OF CHESTERFIELD, MISSOURI

Combining Balance Sheet – Capital Projects Funds

December 31, 1998

<u>Assets</u>	<u>Capital Projects</u>	<u>Levee/ Drainage</u>	<u>Park Construction</u>	<u>R & S Construction</u>	<u>Total</u>
Cash and cash equivalents	\$ -	276,816	-	395,874	672,690
Investments	-	-	-	2,504,620	2,504,620
Interest receivable	-	-	-	43,867	43,867
Due from other funds	-	-	1,722,250	27,185	1,749,435
Total assets	<u>\$ -</u>	<u>276,816</u>	<u>1,722,250</u>	<u>2,971,546</u>	<u>4,970,612</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	-	-	36,889	182,069	218,958
Accrued payroll	-	-	-	4,970	4,970
Accrued compensated absences	-	-	-	2,965	2,965
Due to other funds	-	276,816	421,500	-	698,316
Total liabilities	<u>-</u>	<u>276,816</u>	<u>458,389</u>	<u>190,004</u>	<u>925,209</u>
Fund balances – reserved for capital projects	<u>-</u>	<u>-</u>	<u>1,263,861</u>	<u>2,781,542</u>	<u>4,045,403</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>276,816</u>	<u>1,722,250</u>	<u>2,971,546</u>	<u>4,970,612</u>

See accompanying independent auditors' report.

CITY OF CHESTERFIELD, MISSOURI

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances – Capital Projects Funds

Year ended December 31, 1998

	<u>Capital Projects</u>	<u>Levee/ Drainage</u>	<u>Park Construction</u>	<u>R & S Construction</u>	<u>Total</u>
Revenues:					
Investment income	\$ -	14,805	81,979	353,842	450,626
Miscellaneous	-	-	30,000	-	30,000
Total revenues	-	14,805	111,979	353,842	480,626
Expenditures - capital outlay	339,628	23,434	3,643,358	5,991,175	9,997,595
Deficiency of revenues over expenditures	(339,628)	(8,629)	(3,531,379)	(5,637,333)	(9,516,969)
Other financing sources (uses):					
Operating transfers in	339,628	-	1,722,250	-	2,061,878
Operating transfers out	-	(276,816)	-	-	(276,816)
Total other financing sources	339,628	(276,816)	1,722,250	-	1,785,062
Excess (deficiency) of revenues and other financing sources over expenditures	-	(285,445)	(1,809,129)	(5,637,333)	(7,731,907)
Fund balances:					
Beginning of year	-	285,445	3,072,990	8,418,875	11,777,310
End of year	\$ -	-	1,263,861	2,781,542	4,045,403

See accompanying independent auditors' report.

CITY OF CHESTERFIELD, MISSOURI

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual –
Capital Projects Funds

Year ended December 31, 1998

	Capital Projects		
	Revised budget	Actual	Variance – favorable (unfavorable)
Revenues:			
Investment income	\$ -	-	-
Miscellaneous	-	-	-
Total revenues	-	-	-
Expenditures:			
Public works	725,404	339,628	385,776
Parks and recreation	-	-	-
Total expenditures	725,404	339,628	385,776
Excess (deficiency) of revenues over expenditures	(725,404)	(339,628)	(385,776)
Other financing sources (uses):			
Operating transfers in	725,404	339,628	(385,776)
Operating transfers out	-	-	-
Total other financing sources (uses)	725,404	339,628	(385,776)
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	(771,552)
Fund balances (deficit):			
Beginning of year	-	-	-
End of year	\$ -	-	(771,552)

See accompanying independent auditors' report.

Levee/Drainage			Park Construction		
Revised budget	Actual	Variance – favorable (unfavorable)	Revised budget	Actual	Variance – favorable (unfavorable)
–	14,805	14,805	6,000	81,979	75,979
–	–	–	–	30,000	30,000
–	14,805	14,805	6,000	111,979	105,979
170,272	23,434	146,838	–	–	–
–	–	–	4,663,184	3,643,358	1,019,826
170,272	23,434	146,838	4,663,184	3,643,358	1,019,826
(170,272)	(8,629)	(132,033)	(4,657,184)	(3,531,379)	(913,847)
–	–	–	1,722,250	1,722,250	–
(276,816)	(276,816)	–	–	–	–
(276,816)	(276,816)	–	1,722,250	1,722,250	–
(447,088)	(285,445)	(132,033)	(2,934,934)	(1,809,129)	(913,847)
285,445	285,445	–	3,072,990	3,072,990	–
(161,643)	–	(132,033)	138,056	1,263,861	(913,847)

CITY OF CHESTERFIELD, MISSOURI

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual –
Capital Projects Funds, Continued

Year ended December 31, 1998

	R & S Construction			Total		
	Revised Budget	Actual	Variance – favorable (unfavorable)	Revised budget	Actual	Variance – favorable (unfavorable)
Revenues:						
Investment income	\$ 242,000	353,842	111,842	248,000	450,626	202,626
Miscellaneous	–	–	–	–	30,000	30,000
Total revenues	<u>242,000</u>	<u>353,842</u>	<u>111,842</u>	<u>248,000</u>	<u>480,626</u>	<u>232,626</u>
Expenditures:						
Public works	5,970,853	5,991,175	(20,322)	6,866,529	6,354,237	512,292
Parks and recreation	–	–	–	4,663,184	3,643,358	1,019,826
Total expenditures	<u>5,970,853</u>	<u>5,991,175</u>	<u>(20,322)</u>	<u>11,529,713</u>	<u>9,997,595</u>	<u>1,532,118</u>
Excess (deficiency) of revenues over expenditures	<u>(5,728,853)</u>	<u>(5,637,333)</u>	<u>132,164</u>	<u>(11,281,713)</u>	<u>(9,516,969)</u>	<u>(1,299,492)</u>
Other financing sources:						
Operating transfers in	–	–	–	2,447,654	2,061,878	(385,776)
Operating transfers out	–	–	–	(276,816)	(276,816)	–
Total other financing sources (uses)	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,170,838</u>	<u>1,785,062</u>	<u>(385,776)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(5,728,853)</u>	<u>(5,637,333)</u>	<u>132,164</u>	<u>(9,110,875)</u>	<u>(7,731,907)</u>	<u>1,378,968</u>
Fund balances (deficit):						
Beginning of year	8,418,875	8,418,875	–	11,777,310	11,777,310	–
End of year	<u>\$ 2,690,022</u>	<u>2,781,542</u>	<u>132,164</u>	<u>2,666,435</u>	<u>4,045,403</u>	<u>1,378,968</u>

See accompanying independent auditors' report.

Fiduciary Fund Types

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

Expendable Trust Fund

This fund is used to account for collection and release of monies for future roadway improvements contemplated in a construction development within the City. Collection of monies ensure completion of projects and restoration of the surrounding area. An inspection by the City is necessary to release funds.

Agency Funds

Miscellaneous Escrow Fund – This fund is used to account for the collection and release of monies in connection with various permits issued for construction projects in which the contractor must comply with certain requirements. Collection of monies ensure completion of projects and restoration of the surrounding area. An inspection by the City is necessary to release funds.

Bail Bond Fund – This fund is used to account for monies received and held as bond deposits to ensure defendants' appearances in court.

Explorers' Fund – This fund is used to account for proceeds received in connection with a joint program sponsored by the City and the local explorer's post.

Schedule 11

CITY OF CHESTERFIELD, MISSOURI

Combining Balance Sheet – Trust and Agency Funds

December 31, 1998

<u>Assets</u>	<u>Expendable Trust</u>	<u>Agency</u>	<u>Total</u>
Cash and cash equivalents	\$ 328,965	1,093,673	1,422,638
Receivable – interest	134	–	134
Total assets	<u>\$ 329,099</u>	<u>1,093,673</u>	<u>1,422,772</u>
 <u>Liabilities and Fund Balance</u> 			
Liabilities:			
Accounts payable	–	2,987	2,987
Due to other funds	–	228	228
Deposits held in escrow	–	1,090,458	1,090,458
Total liabilities	<u>–</u>	<u>1,093,673</u>	<u>1,093,673</u>
Fund balance – reserved for street improvements	<u>329,099</u>	–	<u>329,099</u>
Total liabilities and fund balance	<u>\$ 329,099</u>	<u>1,093,673</u>	<u>1,422,772</u>

See accompanying independent auditors' report.

CITY OF CHESTERFIELD, MISSOURI

Combining Balance Sheet – Agency Funds

December 31, 1998

<u>Assets</u>	<u>Miscellaneous Escrow</u>	<u>Bail Bond</u>	<u>Explorer's</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,022,861	67,825	2,987	1,093,673
 <u>Liabilities</u>				
Accounts payable	-	-	2,987	2,987
Due to other funds	-	228	-	228
Deposits held in escrow	1,022,861	67,597	-	1,090,458
Total liabilities	\$ 1,022,861	67,825	2,987	1,093,673

See accompanying independent auditors' report.

CITY OF CHESTERFIELD, MISSOURI

Combining Statement of Changes in Assets and Liabilities – Agency Funds

Year ended December 31, 1998

	Balance, January 1, 1998	Additions	Deductions	Balance, December 31, 1998
<u>Miscellaneous Escrow</u>				
Assets – cash and cash equivalents	\$ 732,894	559,001	269,034	1,022,861
Liabilities – deposits held in escrow	\$ 732,894	563,001	273,034	1,022,861
<u>Bail Bond</u>				
Assets – cash and cash equivalents	\$ 40,770	34,763	7,708	67,825
Liabilities:				
Due to other funds	–	228	–	228
Deposits held in escrow	40,770	34,763	7,936	67,597
Total liabilities	\$ 40,770	34,991	7,936	67,825
<u>Explorer's</u>				
Assets – cash and cash equivalents	\$ 6,475	1,814	5,302	2,987
Liabilities – accounts payable	\$ 6,475	1,814	5,302	2,987
<u>Total – all agency funds</u>				
Assets:				
Cash and cash equivalents	\$ 780,139	595,578	282,044	1,093,673
Liabilities:				
Accounts payable	6,475	1,814	5,302	2,987
Due to other funds	–	228	–	228
Deposits held in escrow	773,664	597,764	280,970	1,090,458
Total liabilities	\$ 780,139	599,806	286,272	1,093,673

See accompanying independent auditors' report.

CITY OF CHESTERFIELD, MISSOURI

General Governmental Expenditures By Function

Last Ten Fiscal Years

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992(1)</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996(2)</u>	<u>1997(3)</u>	<u>1998(4)</u>
Legislative	\$ 39,357	90,887	123,223	124,921	71,863	63,386	70,078	68,826	70,157	70,507
Administrative	691,135	757,809	780,102	894,000	939,007	1,160,205	1,489,115	1,684,613	1,947,219	1,949,709
Police services	2,535,032	2,594,516	2,867,205	3,003,391	3,265,910	3,262,201	3,760,415	4,155,693	4,326,367	4,800,224
Judicial	63,840	77,397	93,393	95,146	97,390	114,222	132,015	166,340	169,848	155,715
Planning and zoning	246,562	219,458	237,888	272,069	289,688	357,242	367,673	327,904	390,307	395,984
Public works	1,319,257	1,787,000	2,032,890	2,100,466	2,884,227	2,842,277	2,933,474	2,493,202	2,625,200	2,885,030
Parks and recreation	-	-	-	16,750	48,336	23,218	62,053	138,283	196,713	534,487
Capital outlay	900,848	1,015,210	842,555	1,220,149	1,605,932	2,905,064	4,140,729	9,241,840	18,363,647	11,571,867
Debt service	-	<u>308,882</u>	<u>210,479</u>	<u>81,690</u>	<u>134,425</u>	-	<u>499,815</u>	<u>1,262,643</u>	<u>1,875,086</u>	<u>4,124,939</u>
Total	\$ <u>5,796,031</u>	<u>6,851,159</u>	<u>7,187,735</u>	<u>7,808,582</u>	<u>9,336,778</u>	<u>10,727,815</u>	<u>13,455,367</u>	<u>19,539,344</u>	<u>29,964,544</u>	<u>26,488,462</u>

Notes:

- (1) The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.
- (2) The City used proceeds from a 1995 general obligation parks bond issue for the acquisition of land and 1995 certificates of participation to construct a Public Works Facility in 1996.
- (3) The City used proceeds from a 1997 general obligation bond issue for the reconstruction of streets and sidewalks.
- (4) The City began paying principal on 1997 general obligation bond issue for the reconstruction of streets and sidewalks in 1998.

Source: General purpose financial statements, all governmental fund types – primary government only.

CITY OF CHESTERFIELD, MISSOURI

General Governmental Revenues By Source

Last Ten Fiscal Years

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992(3)</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998(8)</u>
Municipal taxes (1)(2)(5)(6)(7)	\$ 4,619,291	4,700,199	5,336,033	5,913,742	6,565,107	7,060,339	9,314,116	9,994,622	12,472,104	16,074,702
Intergovernmental (1)(4)	1,457,028	1,586,308	1,712,868	2,122,090	3,212,468	2,997,512	2,962,059	3,408,192	3,337,035	3,187,651
Licenses and permits	111,403	377,264	454,006	496,853	544,796	547,770	597,177	611,892	663,124	705,325
Charges for services	75,507	87,693	78,850	122,455	95,338	135,003	153,651	142,508	209,030	384,594
Court fines and fees	250,557	320,906	345,210	372,818	287,591	377,377	516,212	521,039	409,817	479,621
Interest	14,920	87,256	90,211	86,701	134,561	233,697	1,092,832	1,286,497	1,571,740	1,223,161
Miscellaneous	4,900	29,293	10,444	39,389	179,565	48,615	38,231	72,742	55,507	137,673
Total	\$ <u>6,533,606</u>	<u>7,188,919</u>	<u>8,027,622</u>	<u>9,154,048</u>	<u>11,019,426</u>	<u>11,400,313</u>	<u>14,674,278</u>	<u>16,037,492</u>	<u>18,718,357</u>	<u>22,192,727</u>

Notes:

- (1) Sales tax, motor fuel tax, motor vehicle sales tax, and cigarette tax distributions were adjusted in September of 1991 as a result of the 1990 census.
- (2) Deferred revenues of approximately \$181,000 were recognized as revenues in 1991. These revenues were previously deferred by the City as a result of a dispute with another governmental entity. This matter was resolved in 1991.
- (3) The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.
- (4) The City received a federal emergency management assistance grant in the amount of \$935,287 in 1993.
- (5) Upon the successful outcome of litigation in 1995, the City recognized \$213,182 in deferred sales tax revenues from prior years and began recognizing new sales revenue under a county-wide sales tax redistribution formula.
- (6) The City adopted a property tax of \$.13 per \$100 of assessed valuation in 1995 and also received property tax revenue due to incremental growth in assessed valuation from the Chesterfield Valley TIF District.
- (7) The City passed a ½ cent capital improvements sales tax in November 1996 and began receiving the tax in April 1997.
- (8) The City recognized \$1,426,410 in local use tax in 1998 which had been previously held in deferred revenue pending the settlement of litigation.

Source: General purpose financial statements, all governmental fund types – primary government only.

CITY OF CHESTERFIELD, MISSOURI

Municipal Tax Revenue By Source

Last Ten Fiscal Years

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992(3)</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998(6)</u>
Property tax (4)	\$ -	-	-	-	-	-	1,325,557	1,560,636	1,848,504	2,078,155
Utility gross receipts tax	2,382,331	2,525,039	2,712,063	2,822,781	3,187,143	3,323,852	3,359,052	3,667,368	3,799,169	3,868,894
Sales/use tax(1)(2)(3)(5)	<u>2,236,960</u>	<u>2,175,160</u>	<u>2,623,970</u>	<u>3,090,961</u>	<u>3,377,964</u>	<u>3,736,487</u>	<u>4,629,507</u>	<u>4,766,618</u>	<u>6,824,431</u>	<u>10,127,653</u>
Total	\$ <u>4,619,291</u>	<u>4,700,199</u>	<u>5,336,033</u>	<u>5,913,742</u>	<u>6,565,107</u>	<u>7,060,339</u>	<u>9,314,116</u>	<u>9,994,622</u>	<u>12,472,104</u>	<u>16,074,702</u>

Notes:

- (1) Sales tax distribution was adjusted in September of 1991 as a result of the 1990 census.
- (2) The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.
- (3) Upon the successful outcome of litigation in 1995, the City recognized \$213,182 in deferred sales tax revenue from prior years and began recognizing new sales tax revenue under a county-wide sales tax redistribution formula.
- (4) The City adopted a property tax of \$.13 per \$100 of assessed valuation in 1995 and also received property tax revenue due to incremental growth in assessed valuation from the Chesterfield Valley TIF District.
- (5) The City passed a ½ cent capital improvements sales tax in November 1996 and began receiving the tax in April 1997.
- (6) The City recognized \$1,426,410 in local use tax in 1998 which had been previously held in deferred revenue pending the settlement of litigation.

Source: General purpose financial statements, all governmental fund types – primary government only.

CITY OF CHESTERFIELD, MISSOURI

Intergovernmental Revenues By Source

Last Ten Fiscal Years

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992(2)</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Motor fuel tax (1)	\$ 468,127	462,678	534,521	741,287	826,395	952,879	1,004,142	1,107,221	1,176,692	1,188,472
Motor vehicle sales tax (1)	223,473	225,452	256,353	326,913	375,450	418,102	429,913	442,558	464,671	491,682
Cigarette tax (1)	139,832	138,355	155,793	182,302	189,967	187,795	196,817	198,837	190,960	190,713
Road and bridge tax	625,596	688,545	715,794	818,552	797,475	793,127	858,907	879,913	922,582	998,344
Police traffic service grant	-	70,063	50,407	37,080	15,042	-	3,557	1,771	-	6,956
Federal emergency management assistance grant	-	-	-	-	935,287	119,240	53,404	106	-	-
COPS grant - Federal	-	-	-	-	-	-	18,667	72,668	94,166	87,949
COPS grant - Parkway	-	-	-	-	-	-	4,763	28,555	41,593	49,838
Police academy grant	-	-	-	-	21,370	-	45,118	47,697	46,221	51,027
Federal aid urban grant	-	-	-	-	-	87,403	14,618	-	-	-
St. Louis County Bonhomme Creek reimbursement	-	-	-	-	46,845	140,485	6,038	-	8,503	45,492
Community Development Block Grant	-	-	-	-	-	252,049	249,951	-	33,000	-
EDA Grant	-	-	-	-	-	-	-	495,028	186,872	-
Solid Waste Grant	-	-	-	-	-	-	-	66,055	72,838	15,367
NCAP Grant	-	-	-	-	-	-	-	14,381	36,624	31,712
Branch Out Missouri	-	-	-	-	-	-	-	-	24,562	-
Grants other	-	1,215	-	15,956	4,637	46,432	76,164	53,402	37,751	30,099
Total	\$<u>1,457,028</u>	<u>1,586,308</u>	<u>1,712,868</u>	<u>2,122,090</u>	<u>3,212,468</u>	<u>2,997,512</u>	<u>2,962,059</u>	<u>3,408,192</u>	<u>3,337,035</u>	<u>3,187,651</u>

Notes:

(1) Revenue distributions were adjusted in September of 1991 as a result of the 1990 census.

(2) The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.

Source: General purpose financial statements, all governmental fund types - primary government only.

CITY OF CHESTERFIELD, MISSOURI

Licenses and Permits

Last Ten Fiscal Years

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992(3)</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Business licenses (1)	\$ 4,055	210,793	250,085	256,852	270,312	253,620	292,331	288,446	327,774	309,966
Liquor licenses	14,763	14,528	20,161	28,620	29,277	33,393	30,145	36,592	31,989	40,189
Vending licenses	5,513	9,350	9,056	10,287	14,643	21,409	23,775	19,488	19,075	22,858
Cable television franchise (2)	85,592	134,206	163,329	186,217	212,939	219,183	236,429	251,427	273,874	322,038
Miscellaneous	<u>1,480</u>	<u>8,387</u>	<u>11,375</u>	<u>14,877</u>	<u>17,625</u>	<u>20,165</u>	<u>14,497</u>	<u>15,939</u>	<u>10,412</u>	<u>10,274</u>
62 Total	\$ <u>111,403</u>	<u>377,264</u>	<u>454,006</u>	<u>496,853</u>	<u>544,796</u>	<u>547,770</u>	<u>597,177</u>	<u>611,892</u>	<u>663,124</u>	<u>705,325</u>

Notes:

- (1) On June 5, 1990, voters approved a revised business license fee structure for the City.
- (2) The City increased the license tax on cable television franchises from 3% to 5% on February 20, 1995.
- (3) The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.

Source: General purpose financial statements, all governmental fund types – primary government only.

CITY OF CHESTERFIELD, MISSOURI

Charges for Services

Last Ten Fiscal Years

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992(1)</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Engineering inspection fees	\$ 32,003	29,410	30,160	66,241	34,951	61,569	57,936	57,452	107,887	83,694
Subdivision processing fees	6,890	4,423	7,765	7,355	11,495	9,078	6,486	6,651	9,608	11,092
Zoning applications	7,902	10,645	6,343	13,989	13,399	15,313	18,882	12,874	11,363	10,842
Police reports	6,393	12,306	10,577	12,478	14,358	15,201	14,985	15,685	17,047	17,755
False alarms	21,358	28,994	21,619	16,950	16,925	28,450	42,528	33,444	38,600	38,000
Other charges	<u>961</u>	<u>1,915</u>	<u>2,386</u>	<u>5,442</u>	<u>4,210</u>	<u>5,392</u>	<u>12,834</u>	<u>16,402</u>	<u>24,525</u>	<u>223,211</u>
Total	\$ <u>75,507</u>	<u>87,693</u>	<u>78,850</u>	<u>122,455</u>	<u>95,338</u>	<u>135,003</u>	<u>153,651</u>	<u>142,508</u>	<u>209,030</u>	<u>384,594</u>

Notes:

(1) The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.

Source: General purpose financial statements, all governmental fund types – primary government only.

CITY OF CHESTERFIELD, MISSOURI

Assessed and Estimated Actual Value of Taxable Property (1)(2)(3)

Last Ten Fiscal Years

	Real <u>property</u>	Personal <u>property</u>	Railroad and <u>utilities</u>	<u>Totals</u>	
				<u>Assessed value</u>	<u>Estimated actual value</u>
1989	\$ 494,909,830	113,252,888	15,309,591	623,472,309	2,662,533,859
1990	518,041,910	137,789,071	14,906,377	670,737,358	2,834,312,386
1991	546,048,970	144,354,921	14,813,513	705,217,404	2,975,197,738
1992 (4)	611,766,200	156,066,333	14,953,292	782,785,825	3,297,885,746
1993	623,355,670	146,917,716	14,480,699	784,754,085	3,346,767,746
1994 (5)	614,067,940	121,996,684	15,085,563	751,150,187	3,301,191,816
1995	655,300,640	141,510,637	14,635,156	811,446,433	3,619,761,616
1996	676,795,720	160,550,273	16,131,252	853,477,245	3,775,913,753
1997	737,719,530	171,773,003	14,471,771	923,964,304	4,103,912,637
1998	761,919,280	181,319,540	14,492,392	957,731,212	4,247,538,403

Notes:

- (1) Assessments are determined by the Assessor of St. Louis County. Property is assessed as of January 1.
- (2) Assessments are based on a percentage of estimated actual values. Real property is classified as residential, agricultural, or commercial. Residential property is assessed at 19%, agricultural is assessed at 12%, and commercial is assessed at 32%. All railroad and utility property is assessed at 32%. All personal property is assessed at 33-13%. Real property is reassessed biannually in odd-numbered years.
- (3) The City was incorporated on June 1, 1988. No property tax was levied by the City until 1995 when the voters approved an \$11 million general obligation bond issue for parks. The entire levy funds debt service.
- (4) The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.
- (5) Value decreased due to 1993 flood in Chesterfield Valley.

Source: St. Louis County Assessor.

CITY OF CHESTERFIELD, MISSOURI

Property Tax Rates – Direct and Overlapping Governments
(Per \$100 of Assessed Value)

Last Ten Fiscal Years

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Taxes levied on all property in the City of Chesterfield:										
City of Chesterfield (1)	\$ -	-	-	-	-	-	.130	.130	.130	.130
State of Missouri	.030	.030	.030	.030	.030	.030	.030	.030	.030	.030
St. Louis County	.580	.580	.580	.580	.580	.580	.580	.580	.580	.580
Special School District	.540	.540	.530	.610	.620	.630	.620	.630	.620	.640
St. Louis Community College	.190	.190	.190	.220	.220	.240	.240	.240	.240	.240
St. Louis County Library	.100	.100	.110	.125	.130	.130	.140	.140	.140	.140
Metropolitan St. Louis Sewer District	.020	.020	.020	.020	.020	.020	.020	.020	.020	.020
Metropolitan Zoological Park and Museum District	.198	.198	.198	.214	.220	.224	.228	.232	.232	.232
Sheltered Workshop	.085	.085	.085	.085	.085	.085	.085	.085	.085	.085
Totals	\$ <u>1.743</u>	<u>1.743</u>	<u>1.743</u>	<u>1.884</u>	<u>1.905</u>	<u>1.939</u>	<u>2.043</u>	<u>2.087</u>	<u>2.077</u>	<u>2.097</u>
School Districts (2):										
Parkway	\$ 3.12	3.13	3.09	3.35	3.43	3.44	3.44	3.73	3.64	3.66
Rockwood	<u>3.70</u>	<u>3.75</u>	<u>3.69</u>	<u>3.92</u>	<u>3.94</u>	<u>4.53</u>	<u>4.54</u>	<u>4.54</u>	<u>4.49</u>	<u>4.52</u>
Fire Protection Districts (3):										
Metro West	\$.69	.68	.64	.77	.77	.95	1.03	1.04	1.03	1.03
Chesterfield	<u>.70</u>	<u>.83</u>	<u>.82</u>	<u>.86</u>	<u>.88</u>	<u>.92</u>	<u>1.06</u>	<u>1.00</u>	<u>1.03</u>	<u>1.04</u>

Notes:

- (1) The City was incorporated on June 1, 1988. No property tax was levied by the City until 1995 when the voters approved an \$11 million general obligation bond issue for parks. The entire levy funds debt service.
- (2) All property is located in one of the two school districts whose boundaries include part of the City.
- (3) All property is located in one of the two fire protection districts whose boundaries include part of the City.

Source: St. Louis County Collector.

CITY OF CHESTERFIELD, MISSOURI

Property Tax Levies and Collections

Last Four Fiscal Years (1)

(Dollars expressed in thousands)

Fiscal year	Total tax levy	Current tax collections	Percent of current taxes collected	Delinquent tax collections	Total tax collections	Ratio of total tax collections to total tax levy	Outstanding delinquent taxes	Ratio of Delinquent taxes to total tax levy
1995	\$ 1,402	\$ 1,326	94.6%	\$ -	\$ 1,326	94.6%	\$ 76	5.4%
1996	\$ 1,585	\$ 1,498	94.5%	\$ 63	\$ 1,561	98.4%	\$ 100	6.3%
1997	\$ 1,891	\$ 1,769	93.5%	\$ 79	\$ 1,848	97.7%	\$ 143	7.6%
1998	\$ 2,172	\$ 1,937	89.2%	\$ 141	\$ 2,078	95.7%	\$ 237	10.9%

Note:

(1) 1995 was the first year that the City of Chesterfield had a property tax levy.

Table 10

CITY OF CHESTERFIELD, MISSOURI

Legal Debt Margin

December 31, 1998

Assessed value of the City of Chesterfield for 1998	\$	957,731,212
Limit of bonded indebtedness at 10% of assessed value	\$	95,773,121
Total bonded debt		23,125,000
Less amount available in debt service fund		<u>(1,071,663)</u>
Bonded debt applicable to debt limit		<u>22,053,337</u>
Legal debt margin	\$	<u>73,719,784</u>

Note: Bonded indebtedness is limited by Sections 95.115 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

CITY OF CHESTERFIELD, MISSOURI

Ratio of Annual Debt Service Expenditures for General Bonded Debt to
Total General Governmental Expenditures

Last Four Fiscal Years (1)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>	<u>Total general governmental expenditures</u>	<u>Ratio of debt service to general governmental expenditures</u>
1995(1)	\$ -	346,923	346,923	13,455,367	2.6%
1996	265,000	683,037	948,037	19,539,344	4.8%
1997(2)	285,000	1,035,169	1,320,169	29,964,544	4.4%
1998(3)	1,630,000	1,167,451	2,797,451	26,488,462	10.6%

Note:

- (1) 1995 was the first year that the City had general bonded indebtedness.
- (2) The City issued \$14,230,000 in additional general bonded indebtedness in 1997.
- (3) The City did an advance refunding of the general obligation debt for parks in 1998.

Source: General purpose financial statements, all governmental fund types – primary government only.

Table 12

CITY OF CHESTERFIELD, MISSOURI

**Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita**

Last Four Fiscal Years (1)

<u>Year</u>	<u>Population</u>	<u>Assessed value</u>	<u>Bonded debt</u>	<u>Amount available in debt service fund</u>	<u>Net bonded debt</u>	<u>Ratio of net bonded debt to assessed value</u>	<u>Net bonded debt per capita</u>
1995(1)	42,325 (2)	\$ 811,446,433	11,000,000	998,144	10,001,858	1.2%	\$ 236
1996	42,325	853,477,245	10,735,000	1,134,895	9,600,105	1.1%	227
1997(3)	42,325	923,964,304	24,680,000	1,490,337	23,189,663	2.5%	548
1998(4)	42,325	957,731,212	23,125,000	1,071,663	22,053,337	2.3%	521

Note:

- (1) 1995 was the first year that the City had general bonded indebtedness.
- (2) Population data is estimated using the 1992 U.S. Census Bureau data for the area.
- (3) The City issued \$14,230,000 in additional general bonded indebtedness in 1997.
- (4) The City did an advance refunding of the general obligation debt for parks in 1998.

CITY OF CHESTERFIELD, MISSOURI

Computation of Direct and Overlapping Debt

December 31, 1998

	General obligation <u>debt</u>	Percent appli- cable to the City of <u>Chesterfield</u>	Amount appli- cable to the City of <u>Chesterfield</u>
City of Chesterfield	\$ 23,125,000	100.00%	\$ 23,125,000
St. Louis County	245,560,000	6.44	15,814,064
Parkway School District (1)	59,685,390	24.23	14,461,770
Rockwood School District (1)	112,213,600	14.09	15,810,896
Chesterfield Fire Protection District (1)	3,265,000	72.43	2,364,840
Metropolitan Sewer District	<u>9,150,000</u>	<u>13.85</u>	<u>1,267,275</u>
Total	\$ <u>452,998,990</u>		\$ <u>72,843,845</u>
Total debt per capita (2)			\$ <u>1,721.06</u>

(1) Only portions of the school and fire districts are located within the City boundaries. The applicable amounts refer to that portion of the district that is contained within the City's boundary. Therefore, the applicable amounts refer to portions of the City's taxpayers.

(2) Based upon a population of 42,325.

Source: The above-named jurisdictions, St. Louis County Real Estate Assessment Rolls, and St. Louis County report of Assessed Valuation.

CITY OF CHESTERFIELD, MISSOURI

Building Permits and Construction (1)

Last Ten Fiscal Years

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992(2)</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
New construction:										
Number of permits	263	131	132	447	635	917	619	712	652	846
Value of construction \$	<u>52,056,444</u>	<u>22,070,752</u>	<u>19,627,440</u>	<u>46,626,596</u>	<u>47,502,993</u>	<u>71,912,425</u>	<u>40,005,131</u>	<u>49,994,194</u>	<u>47,738,060</u>	<u>69,442,017</u>
Alterations/additions:										
Number of permits	1,126	1,507	1,035	1,435	2,245	2,022	2,164	2,051	2,113	2,799
Value of construction \$	<u>14,804,018</u>	<u>17,253,024</u>	<u>8,827,772</u>	<u>17,293,610</u>	<u>20,432,811</u>	<u>36,683,188</u>	<u>22,043,850</u>	<u>23,902,052</u>	<u>28,004,804</u>	<u>59,924,899</u>
Building demolitions:										
Number of permits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes:

- (1) The City has not established a building commissioner's office within the organization. St. Louis County currently provides building inspection services. Information regarding 1988 permits is unavailable. The City was incorporated on June 1, 1988.
- (2) The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.

Source: Planning Department, City of Chesterfield, Missouri.

CITY OF CHESTERFIELD, MISSOURI

Bank Deposits

Last Ten Fiscal Years

	<u>Amount (1)</u>
1989	349,810,000
1990	456,590,000
1991	504,334,156
1992 (2)	641,865,343
1993	625,192,796
1994	608,355,913
1995	610,500,754
1996	638,068,841
1997 (3)	699,574,519
1998	798,460,557

Notes:

- (1) Represents deposits of the 12 bank facilities located in the City of Chesterfield.
- (2) The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.
- (3) Roosevelt Bank and Mark Twain Parkway Banks were bought out by Mercantile Bank and the branch banks in Chesterfield were closed in 1998.

Source: Cass Bank and Trust, Commerce Bank of St. Louis, N.A., First Bank – Clarkson, First Bank – First Missouri Center, First National Bank of St. Louis, FirstServ, Inc., Founders Bank, Magna Bank of Chesterfield, Mercantile Bank of St. Louis N.A. – Clarkson Square, , Mercantile Bank of St. Louis N.A. – Hilltown Village, NationsBank N.A. – Chesterfield Center, and NationsBank N.A. – Baxter Branch,.

Table 16

CITY OF CHESTERFIELD, MISSOURI

Schedule of Insurance in Force

December 31, 1998

<u>Type of coverage/ insurance carrier</u>	<u>Policy number</u>	<u>Policy period</u>	<u>Deductible</u>	<u>Liability limits</u>	<u>Annual premium</u>
General Liability Police Liability Automobile Liability/ Property and Casualty Trust of St. Louis	GL 0021-98 PL0021-98 AL 0021-98	8/1/98- 7/1/99	\$ 500 500 500	\$ 1,000,000	71,762
Property/Inland Marine/Chubb	3529-08-79	3/1/98- 7/1/99	1,000	1,000,000	73,233
Public Officials Liability/Firemen's Fund	CPL500-02-92	3/1/98- 7/1/99	5,000	1,000,000	5,745
Worker's Compensa- tion/St. Louis Insurance Trust (SLAIT)	99-004	8/1/98- 7/1/99	N/A	Per Missouri Law	148,613
Public Official Bond/ Kemper	3SM 726 028	9/1/98- 9/1/99	N/A	100,000	238
Public Employees Blanket Bond/Kemper	3FM 726 239	1/23/98- 1/23/99	500	100,000	353
Flood Insurance Police Department (Contents Only)/Travelers	6002036355	5/21/98- 5/21/01	500	289,400	1,244
Flood Insurance - Public Works (Building & Contents)/Travelers	6002791736	11/6/98- 11/6/99	1,000	1,000,000	2,269
Fiduciary Bond/The Travelers/Aetna	051FF103003485	11/3/98- 11/3/99	-	500,000	1,407
Underground Storage Tanks	0009914	2/24/98- 2/24/99	10,000	1,000,000	200

Source: City's insurance policies.

CITY OF CHESTERFIELD, MISSOURI

Salaries and Surety Bonds of Principal Officials

December 31, 1998

<u>Name and title of official</u>	<u>Annual salary</u>	<u>Amount surety bond</u>
Michael G. Herring, City Administrator	\$ 100,000	(1)
Jan Hawn, Director of Finance and Administration	72,799	100,000
Marty DeMay, City Clerk	41,913	(1)
Ray Johnson, Police Chief	76,550	(1)
Teresa Price, Director of Planning	63,000	(1)
Mike Geisel, Director of Public Works/City Engineer	<u>73,077</u>	<u>(1)</u>

Note:

(1) Blanket surety coverage of \$100,000.

Table 18

CITY OF CHESTERFIELD, MISSOURI

Miscellaneous Statistical Data

December 31, 1998

Date of incorporation as a third class city	June 1, 1988
Form of government	Mayor/Council/City Administrator
Area	32 square miles
Miles of streets (City maintained)	150
Miles of sidewalks (City maintained)	100
Number of street lights (City provided) (1)	10
Police protection:	
Number of full-time employees	85
Commissioned officers	77
Other full-time employees	8
Police Station	1
Total employees, full-time	167

Fire protection:

The City's coverage is provided by two districts:

- Metro West Protection District
- Chesterfield Fire Protection District

The City is served by the Parkway and Rockwood School Districts.

The City's electric is supplied by Union Electric; natural gas is supplied by Laclede Gas; water is supplied by St. Louis County Water Company; sewer service is provided by Metropolitan St. Louis Sewer District. All four of these companies are publicly held utilities.

The library serving the City of Chesterfield is the Daniel Boone and the Thornhill branches of the St. Louis County Library System.

Population (2):	1988	34,486
	1990	37,990
	1992	42,325
Number of households (2)	1988 Single Family	9,105
	Multi-Family	3,049
	1990 Single Family	10,541
	Multi-Family	3,246
	1992 Single Family	11,821(4)
	Multi-Family	3,848(4)
Per capita income:		
Median Family Income	1986	\$ 61,800
	1990	75,237
Per Capita Family Income	1979	\$ 12,686
	1987	21,912
	1990	28,019
Number of registered voters	1998	30,025

(Continued)

CITY OF CHESTERFIELD, MISSOURI

Miscellaneous Statistical Data, Continued

Principal taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Total Assessed Valuation</u>
Monsanto Company	Research/development	\$ 27,358,390	2.86%
JG St. Louis West Limited Liability Co. Gal.	Chesterfield Mall	15,976,420	1.67
Union Electric Company	Private utility company	11,990,530	1.25
Dierberg's	Grocery store	7,062,810	0.74
St. Lukes Episcopalian Presbyterian Hospital	Hospital	6,975,710	0.73
Caplaco Inc.	Real estate venture	6,411,460	0.67
Wild Horse Joint Venture	Apartment project	5,913,690	0.62
May Department Stores	Department store	5,903,730	0.62
Corporate Plaza Management.	Office buildings	5,140,710	0.54
Dillard Department Stores	Department store	<u>5,105,570</u>	<u>0.53</u>
		<u>\$ 97,839,020</u>	<u>10.22%</u>

Major employers within the City of Chesterfield:

<u>Company</u>	<u>Type of Business</u>
1. Monsanto Company	Research Company
2. Mark Andy Inc.	Printing Press Manufacturer
3. WorldCom Network Services, Inc.	Private Line Telecommunications Service
4. Mohela	Student Loan Services
5. McBride & Son Management Co.	Homebuilder/Developer/Contractor
6. Cooper Automotive	Administrative Offices
7. Doubletree Hotel	Hotel
8. Jet Corp	Aircraft Charter & Maintenance
9. Mallinckrodt Specialty Chemicals	Administrative Office
10. Famous Barr	Department Store

Utility Customers:

<u>Year</u>	<u>Electric Meters(A)</u>	<u>Gas Meters(B)</u>	<u>Water Meters(C)</u>	<u>Telephones (D)</u>
1989	14,698	11,084	10,127	15,832
1990	15,386	11,377	10,475	16,213
1991	15,602	11,499	10,490	17,229
1992(3)	18,289	13,594	11,797	18,166
1993	18,356	13,554	11,937	18,711
1994	19,048	14,328	12,672	19,855
1995	19,076	14,450	12,789	21,263
1996	19,274	14,608	13,031	23,277
1997	19,789	15,231	13,330	23,564
1998	19,860	15,502	13,317	35,500

Source: (A) Union Electric Company
 (B) Laclede Gas Company
 (C) St. Louis County Water Company
 (D) Southwestern Bell Telephone Company

- (1) The City currently provides street lights at selected intersections within the City of Chesterfield. Street lights are primarily provided and maintained by private subdivisions.
- (2) Population data is estimated for the area using the U.S. Census Bureau data for the area.
- (3) The City annexed an area encompassing 1.6 square miles to the east on May 15, 1992.

Source: The City's Public Works Department, Planning and Zoning Department, Finance and Administration Department, Police Department, U.S. Census Bureau, St. Louis County Department of Revenue, Board of Election Commissioners of St. Louis County, St. Louis County Fact Book and Development Strategies.

