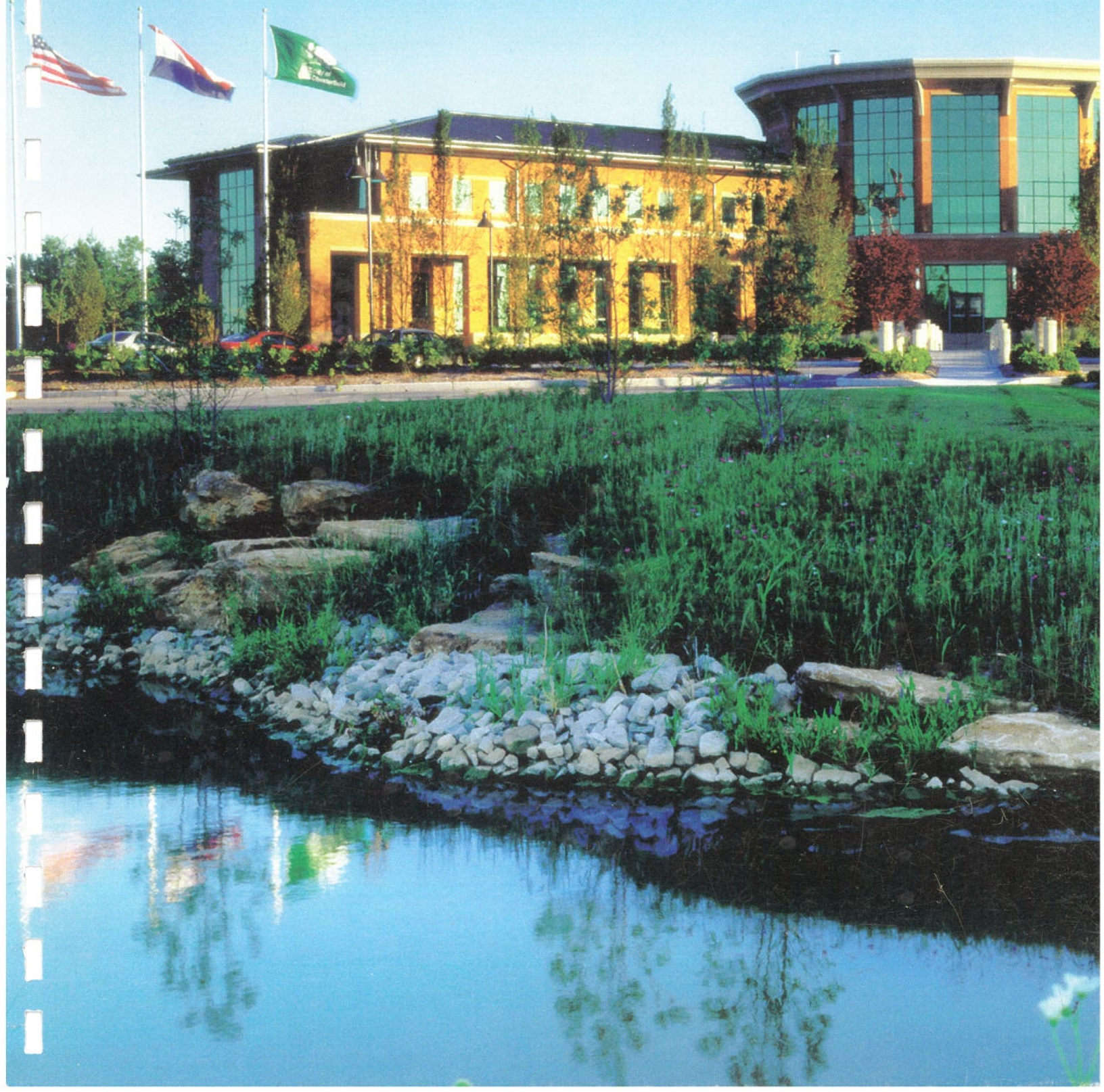


# City of Chesterfield, Missouri

Comprehensive Annual Financial Report  
For The Year Ended December 31, 2003



**CITY OF CHESTERFIELD, MISSOURI**

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2003

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Report prepared and submitted by the  
Finance and Administration Department

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## Introductory Section

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May 25, 2004

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

State law and local ordinances require that all general-purpose local governments publish a complete set of financial statements presented in conformance with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Chesterfield, Missouri (the City), for the fiscal year ended December 31, 2003. This year's CAFR is the second year that the City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The format and the purpose of these changes are addressed in the Management's Discussion and Analysis (MD&A).

In accordance with the above-mentioned guidelines, the accompanying report consists of three parts:

1. The *Introductory Section* includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, a list of City Officials and the City's organizational chart.
2. The *Financial Section* includes the Independent Auditors' Report, MD&A, basic financial statements for the City, required supplementary information, as well as additional supplementary information.
3. The *Statistical Section* includes a number of tables of unaudited data depicting the financial history of the City for the past ten years, information on overlapping governments, demographic information and other miscellaneous information.

Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable

information for the preparation of the City's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statement will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Hochschild, Bloom & Company LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended December 31, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2003, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

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

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The Standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal control and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

## **Profile of the City**

The City is located on the western edge of St. Louis County. The City currently occupies a land area of 32 square miles and serves a population of 46,802 residents. The City is considered by many to be one of the fastest growing cities in the Midwest.

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. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and eight City Council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Administrator, City Attorney, Judge, and Prosecuting Attorney. The City Administrator is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The City Council is elected on a non-partisan basis. Council members serve two-year staggered terms, with four Council members elected each year. The Mayor is elected at large to serve a four-year term.



The City 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.

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 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. The accompanying financial data presented for the CCDC reflect the twelve months of activity through June 30, 2003.

Complete financial statements of the CCDC can be obtained from their administrative offices at 1422 Elbridge Payne Road, Suite 190, Chesterfield, MO 63017.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Director of Finance and Administration each year. The Director of Finance and Administration uses these requests as the starting point for development a proposed budget. The City Administrator then presents this proposed budget to the City Council for review. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than December 31, the close of the City's fiscal year. The appropriated budget is prepared by fund and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriate annual budget has been adopted. For the General Fund, this comparison is presented on page 50 as required supplementary information. For governmental funds, other than the General Fund, with appropriated annual budgets, comparisons for Special Revenue Funds are found in required supplementary information which begins on page 53 and comparisons for the budgeted Capital Project and Debt Service Funds are found in other supplementary information which begins on page 62.

### **Factors Affecting Financial Condition**

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

**Local economy.** The City already has a thriving business community and has established a business district convenient to both the City of St. Louis, Missouri to the east and St. Charles County to the west. Continuing improvements of I-64/Highway 40 assure the City greater opportunity for growth, enhancing its accessibility to downtown St. Louis, Missouri.

The City 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, and more than 145 boutiques, shops, stores, and services. During 2003, Chesterfield Mall announced the closure of JC Penney's to allow for the development of a 14 screen AMC Theater and new entertainment shops.

The City's western corridor, referred to as Chesterfield Valley, has expanded dramatically over the last several years with retail, 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. The City's working with the Monarch-Chesterfield Levee District to complete the construction of a 500-year levee. The City Council has designated Chesterfield Valley as a tax increment financing (TIF) district. With the assistance of TIF, the Monarch-Chesterfield Levee District and the City are raising the 11 miles of levee surrounding Chesterfield Valley to a 500-year flood event level. The District plans to complete this work by December 2003. In addition, the City, using Economic Development Act (EDA) grant funds, installed pumps in Chesterfield Valley to dramatically improve interior drainage. The pumps and 500-year levee will further protect the Chesterfield Valley from flood waters and are expected to promote increased economic growth and development. Two large commercial projects, Chesterfield Commons (2,000,000 square feet of retail) and Chesterfield Groves (186,000 square feet of mixed use) have been completed or are currently being completed in Chesterfield Valley. Wal-Mart, Target Greatland, World Market, Shoe Carnival, Lowe's Home Improvement Center, Sam's Club, Linens N' Things, Office Max, Michael's, Petsmart, Payless Shoes, Radio Shack, Best Buy, Red Robin, Longhorn Steakhouse, Subway, Home Town Buffet, Babies 'R Us, Red Lobster, St. Louis Bread Company, Olive Garden, O'Charley's, and many others have all located to Chesterfield Commons. Future openings at Chesterfield Commons include Wherenberg Theaters and the Home Depot.

Based on current projections, continued development of the entire City's inevitable. The growth in assessed valuation of the City bears out this fact. The City's assessed valuation of \$1,359,291,971 as of January 1, 2003 represents an increase of 3.9% from \$1,308,820,798 as of January 1, 2002, and an increase of 192.0% from \$465,549,049 as of January 1, 1988 at the time of the City's incorporation.

**Long-term financial planning.** The City confines long-term borrowing to capital improvements or projects that cannot be financed from current revenues, and where the issuance of long-term debt is required, it pays back the bonds within a period not to exceed the expected useful life of the project. Highlighted below are the actions of the City regarding the City's long-term needs.

The voters of the City approved a ½ cent capital improvement sales tax for street and sidewalk improvements in 1997. These funds are being used to repay debt on the general obligation bonds approved at the same time for major reconstruction projects. In addition, the sales tax will be used to fund major street and sidewalk improvements in the future. It is anticipated that approximately \$2.5 million will be available from the ½ cent sales tax to fund continued major street and sidewalk improvements well into the future.

The City plans to continue to explore options based on a recent survey of residents in the area of park improvements performed by Leisure Vision. Some of the recommendations coming out of

the study include exploring opportunities to partner with St. Louis County, Missouri and private providers of recreation services, pursuing opportunities to acquire open space in the City, and providing walking paths and an outdoor amphitheatre and lake in the Central City Park. The City will explore all of these options, as well as a funding source, over the next several years.

The City also plans to complete the "Pathway Around the Parkway" (Chesterfield Parkway) project and a Highway 340 highway beautification project during 2004. The cost for both of these projects are funded through transfers out of the Capital Improvement Sales Tax Trust Fund and offset by one-time federal grants provided under the Transportation Efficiency Act.

**Cash management policies and practices.** Cash temporarily idle during the year was invested in obligations of the U.S. treasury and repurchase agreements. The maturities of the investments range from overnight to 3 years, with an average maturity of 12 months. The average yield on investments was 3% for the City. Investment income includes appreciation in the fair value of investments. Increases in the fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity.

**Risk management.** The City's a member of a public entity risk pool comprised of various municipalities in St. Louis County, Missouri. This pool covers workers' compensation and liability exposures (St. Louis Area Insurance Trust - SLAIT). The purpose of this pool is to share the cost of self-insurance with other similar cities. The Daniel & Henry Company provides claims administration for the trust. Additional information on the City's risk management activity can be found in Note 8 of the notes to the basic financial statements.

**Debt administration.** At year-end, the City had five debt issues outstanding. These issues include \$8,030,000 in general obligation bonds for parks, \$2,155,000 in certificates of participation related to the City's capital lease obligation for the construction of a Public Works Facility, \$9,765,000 in general obligation bonds for streets and sidewalks, \$13,570,000 in general obligation bonds for streets and sidewalks, and \$16,895,000 in certificates of participation for the City's City Hall. The City also had a series of notes to the Monarch-Chesterfield Levee District for levee and storm water improvements in Chesterfield Valley, most of which were refunded with a TIF Refunding and Improvement Revenue Bonds issued in April of 2002. The outstanding amounts of these notes were for \$3,571,059 and TIF Bonds totaled \$45,020,000.

**Pension.** The City sponsors a single-employer defined contribution pension plan for its employees. 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 2003 was \$630,794 or 8% of covered payroll less any forfeitures from terminated nonvested employees. Total covered payroll for the year was \$8,066,468 or 93% of the City's total payroll of \$8,670,420.

Additional information on the City's pension arrangements can be found in Note 10 in the notes to the basic financial statements.

### **Awards and Acknowledgements**

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the City for its comprehensive annual financial report (CAFR) issued for the fiscal year ended December 31, 2002. This was the fourteenth consecutive year the City has received this prestigious award, an impressive accomplishment for the City's fourteenth full year of operation. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both U.S. generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2003. This was the thirteenth 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.

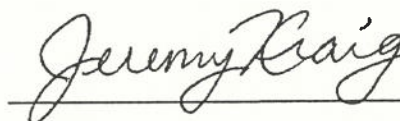
The preparation of this report would not have been completed without the efficient and dedicated services of the entire administrative staff of the various departments of the City. We would like to especially acknowledge the dedicated services and assistance of the staff members in the Finance and Administration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

We would also like to thank our auditors, Hochschild, Bloom & Company 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



Jeremy T. Craig  
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, 2002

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.



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

**CITY OF CHESTERFIELD, MISSOURI**

City Officials

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**MAYOR**

John Nations

**COUNCIL MEMBERS**

**Ward 1:**

Barry Flachsbart

Jane Durrell

**Ward 2:**

Barry Streeter

Bruce Geiger

**Ward 3:**

Daniel Hurt

Mike Casey

**Ward 4:**

Mary K. Brown

Connie Fults

**CITY ADMINISTRATOR**

Michael G. Herring

**DIRECTOR OF FINANCE AND  
ADMINISTRATION**

Jeremy T. Craig

**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

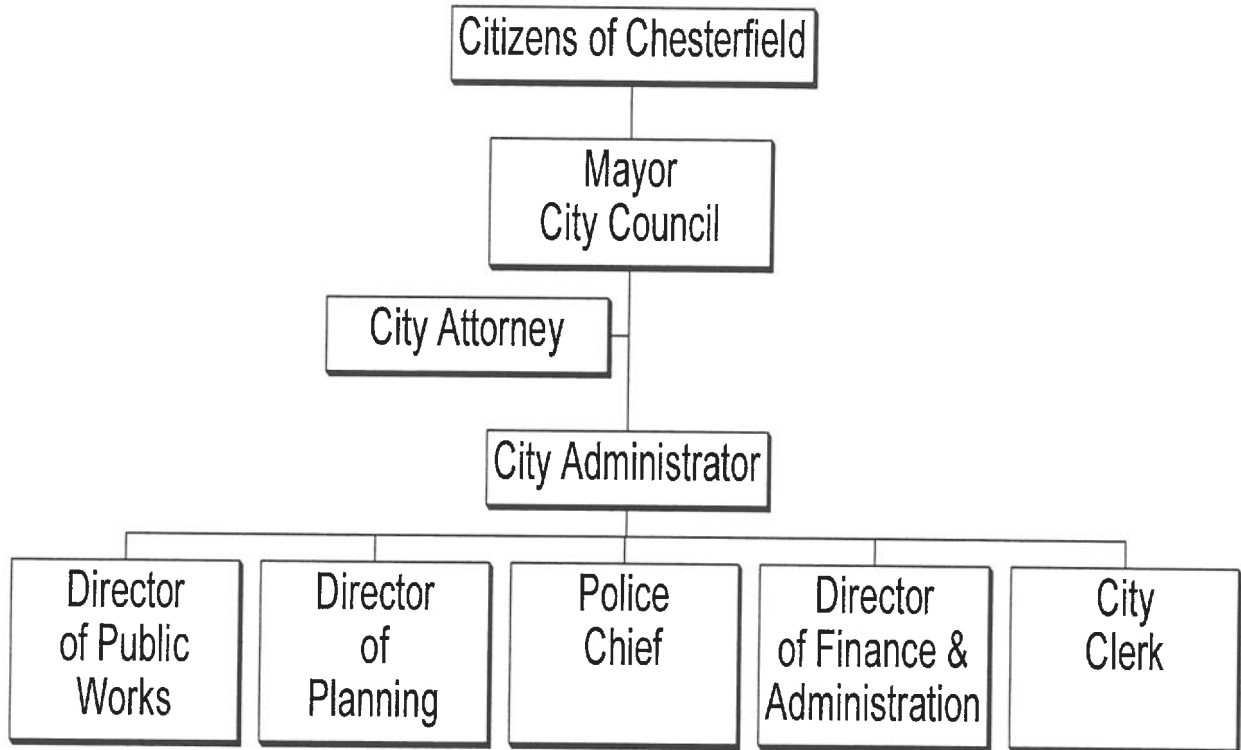
**PROSECUTING ATTORNEY**

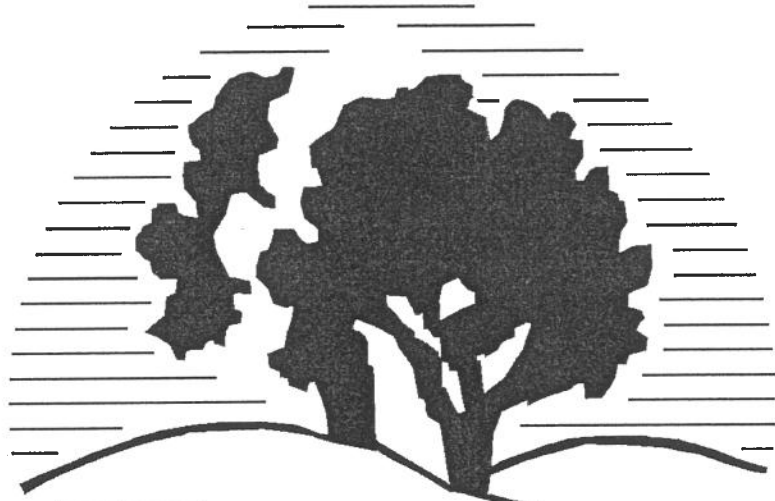
Tim Englemeyer

# CITY OF CHESTERFIELD, MISSOURI

## Organizational Chart

### 2003





**e** City of  
Chesterfield





## **Financial Section**



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

## INDEPENDENT AUDITORS' REPORT

May 25, 2004

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the **CITY OF CHESTERFIELD, MISSOURI** (the City) as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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, provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2003, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 25, 2004 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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



Member: Independent Accountants International with Member Offices in Principal U.S. and International Cities.

The Management's Discussion and Analysis and Budgetary Comparison Information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, therefore, express no opinion therein.

*Nochschild, Bloom & Company LLP*  
**CERTIFIED PUBLIC ACCOUNTANTS**

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## **Management's Discussion and Analysis**

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**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2003**

As management of the City of Chesterfield, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report along with the City's financial statements, including the footnotes that follow this Management's Discussion and Analysis (MD&A).

**Financial Highlights**

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$94,777,369. The City has a deficit in unrestricted net assets totaling (\$36,474,538) due to \$48,591,059 in TIF Refunding and Improvement Revenue Bonds outstanding at year-end for infrastructure assets not owned by the City.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43,122,870, a decrease of \$1,062,172 in comparison with the prior year. Approximately 25.6% of this total amount or \$11,055,636 is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$11,244,722 or 73.1% of total General Fund expenditures.
- The City's total debt decreased by \$5,408,772 or 5.1% during the current fiscal year.

**Overview of the Financial Statements**

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

**Government-wide Financial Statements**

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

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2003**

may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Chesterfield Community Development Corporation discretely presented for which the City's financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 22 through 23 of this report.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. It should be noted that the City does not have any proprietary funds.

### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2003**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and the government-wide *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Chesterfield Valley Tax Increment Financing Fund, Capital Improvement Sales Tax Trust Fund, TIF Bond Fund, TIF Bond Debt Service Fund, and Capital Project Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the other supplementary information section in this report.

The City, adopts an annual appropriated budget for its General fund, the Chesterfield Valley Tax Increment Financing Special Revenue Fund, the Capital Improvement Sales Tax Trust Special Revenue Fund, the Parks 1998 Debt Service Fund, the Public Works Facility 1995 and 2002 Debt Service Fund, the R&S 1997 and 1999 Debt Service Fund, City Hall Debt Service Fund, and the Capital Project Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental fund financial statements can be found on pages 24 through 27 of this report.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The statement of fiduciary net assets can be found on page 28 of this report.

### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29 through 49 of this report.

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2003**

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found on pages 50 through 56 of this report.

**Other Supplementary Information**

The combining and individual fund statements, referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 58 through 69 of this report.

**Government-wide Financial Analysis - Financial Analysis of the City as a Whole**

This is the second year that the City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Therefore, a comparative analysis of government-wide data is also included in this report.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$94,777,369 at the close of the most recent fiscal year.

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



**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
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	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Current and other assets	\$ 46,448,337	48,648,638
Capital assets, net	<u>150,839,883</u>	<u>150,477,275</u>
Total assets	<u>197,288,220</u>	<u>199,125,913</u>
<b>Liabilities</b>		
Long-term liabilities	99,281,424	104,723,711
Other liabilities	<u>3,229,427</u>	<u>3,338,922</u>
Total liabilities	<u>102,510,851</u>	<u>108,062,633</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	100,479,329	98,156,258
Restricted	30,772,578	32,087,452
Unrestricted deficit	<u>(36,474,538)</u>	<u>(39,180,430)</u>
Total net assets	<u>\$ 94,777,369</u>	<u>91,063,280</u>

An additional portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of *unrestricted net assets* (\$36,474,538) is explained further below.

At the end of the current fiscal year, the City is able to report positive balances in two categories of net assets, for the government as a whole. Unrestricted net assets are negative due to \$48,591,059 in TIF Refunding and Improvement Revenue Bonds Series 2002 outstanding at year-end for infrastructure assets not owned by the City. The TIF Refunding and Improvement Revenue Bonds Series 2002 are limited obligations of the City and are funded only by incremental revenues generated within the TIF district.

**Governmental activities.** Governmental activities increased the City's net assets by \$3,714,089. Key elements of this are as follows:

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**Management's Discussion and Analysis**  
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	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 2,170,814	2,391,047
Federal and state grants	6,298,291	4,506,314
General revenues:		
Taxes	25,680,498	25,172,443
Investment income	486,186	1,022,026
Sale of capital assets	(29,814)	177,094
Miscellaneous	299,820	300,798
Total revenues	<u>34,905,795</u>	<u>33,569,722</u>
<b>Expenses:</b>		
General government	2,596,258	2,779,184
Parks and recreation	1,759,887	1,733,646
Judicial	169,118	173,865
Planning	588,615	629,707
Public works	14,763,996	16,058,649
Public safety	6,540,437	6,733,157
Community development	179,090	177,757
Interest and fiscal charges	4,594,305	6,604,298
Total expenses	<u>31,191,706</u>	<u>34,890,263</u>
Change in net assets	<u>3,714,089</u>	<u>(1,320,541)</u>
Ending net assets	<u>\$94,777,369</u>	<u>91,063,280</u>

**Significant Changes in Net Assets**

The increase in net assets of \$3,714,089 was largely attributable to the Federal and State grant of \$1,633,209 for Highway 340 Enhancement. In General Fund, sales and all gross receipt taxes except gas for the year were \$266,372 and \$215,487, respectively, below their anticipated budgets. The gas utilities taxes increased by \$209,734 and \$256,336 over last year and budget, respectively, due mainly to the cold winter in 2003.

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

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

**Governmental Funds**

The focus of the City's governmental funds is to provide information on inflows and balances of available expendable resources. Such information is useful in assessing the City's financing re-

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
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quirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of year 2003 the unreserved fund balance of the General Fund was \$11,244,722, while the total fund balance was \$11,559,460. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 65.8% of total General Fund expenditures and transfers out of \$17,083,618, while total fund balance represents 67.7% of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund decreased by \$791,075 or 6.4% from the prior year fund balance. The change of the current year's fund balances are mainly due to:

- Sales tax revenues decreased due to slowing economic activity being experienced throughout the nation.
- Interest from investment was down significantly due to record low short-term interest rates and the maturity of the City's long-term investments purchased when rates were higher.

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

- Chesterfield Valley Tax Increment Financing Fund increased by \$1,913,588 or 19.2%. This increase was a partial result of issuing of TIF Notes. The proceeds from the notes amounted to \$2,629,417. At the end of December 31, 2003, the unreserved fund balance and total fund balance was \$11,854,822.
- Capital Improvement Sales Tax Trust Fund decreased by \$2,283,572 or 56.3%. This decrease was a result of \$5,555,741 transfer out to Capital Project Fund for street and sidewalk replacements, and \$2,252,607 transfer out to other governmental nonmajor funds to pay for principal and interest for R&S Debt Service Funds.
- TIF Bond Fund ended the year 2003 with an unreserved fund balance of \$7,766,726. This decrease by \$163,802 from the previous year was a result of transfer out to TIF Bond redemption fund. The City had bond redemption in the amount of \$3,225,000 during year 2003, this amount is part of principal payment to TIF bond debt service.
- TIF Bond Debt Service Fund ended the year 2003 with an unreserved fund balance of \$6,308,348.

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2003**

**Fiduciary Funds**

The City maintains agency funds for monies received and held for the benefit of others for the following purposes:

- Bond deposits held to ensure a defendant's appearance in court.
- Proceeds received in connection with a joint program sponsored by the City and the local explorer's post.
- Collection and release of the monies for future road way improvements to ensure completion of the projects.
- Collection and release of monies in connection with various permits issued for construction projects.

At the end of 2003, cash and cash equivalents had increased \$24,718 (to \$1,892,128) from year 2002, due to normal activity.

**Capital Assets**

The City has invested \$150,839,883 in a broad range of capital assets, including park facilities, roads, buildings, machinery and equipment and automobiles and trucks. This amount represents a net increase for the current fiscal year (including additions and deductions) of \$362,608. In 2003, the City added:

	<b><u>Capital Assets, Net of Depreciation</u></b>	
	<b><u>December 31,</u></b> <b><u>2003</u></b>	<b><u>December 31,</u></b> <b><u>2002</u></b>
Land	\$ 13,012,885	12,981,078
Right-of-way	73,137,680	73,013,885
Buildings and other improvements	20,500,057	20,931,967
Machinery and equipment	1,936,794	2,068,565
Automobiles and trucks	1,528,440	1,662,860
Infrastructure (including construction-in progress)	<u>40,724,027</u>	<u>39,818,920</u>
Total	<b><u>\$150,839,883</u></b>	<b><u>150,477,275</u></b>

Additional information on the City's capital assets can be found in Note 4 in the notes to the basic financial statements.

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2003**

**Long-Term Debt**

At the end of December 2003, the City had outstanding long-term debt obligations for governmental activities in the amount of \$98,862,159 compared to \$104,270,931 in 2002. Of this amount, \$31,365,000 is general obligation bonds and \$48,447,159 is TIF notes payable and bonds. Capital lease obligations outstanding totaled \$19,050,000. The 5.1% decrease in the City's long-term debt obligations due to the City did not issue any new debt except an addition of \$2,629,417 to the Levee District Note Series 2002 that was endorsed on February 28, May 21, and August 20, 2003.

The City's governmental activities debt is detailed below:

**Outstanding Long-Term Debt Obligations**  
**December 31, 2003**

	<u>Fiscal Year</u> <u>2003</u>	<u>Fiscal Year</u> <u>2002</u>	<u>% Change</u>
Certificates of participation series 2002	\$ 2,155,000	2,325,000	(7.3%)
Certificate of participation (Government Center) series 2000	16,895,000	17,250,000	(2.1)
General obligation bonds (R&S) series 1997	9,765,000	10,240,000	(4.6)
General obligation bonds (R&S) series 1999	13,570,000	14,060,000	(3.5)
General obligation bonds (Park) series 1998	8,030,000	8,505,000	(5.6)
Levee district note (Phase III)	3,571,059	1,100,110	224.7
TIF Refunding and Improvement Bonds	<u>44,876,100</u>	<u>50,790,821</u>	(11.7)
Total	<u>\$98,862,159</u>	<u>104,270,931</u>	(5.1)

Additional information on the City's long-term debt can be found in Note 13 in the notes to the basic financial statements.

**Significant Variances between Budgets and Actual Expenditures**

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

- Building maintenance capital outlay had an encumbrance in the amount of \$82,920 from 2002 that had not been re-appropriated, causing a variance of \$73,658 between budget and actual expenditures.
- Police department had \$129,592 under budget in personal services due to the five budgeted positions had not been filled.

**City of Chesterfield, Missouri**  
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**December 31, 2003**

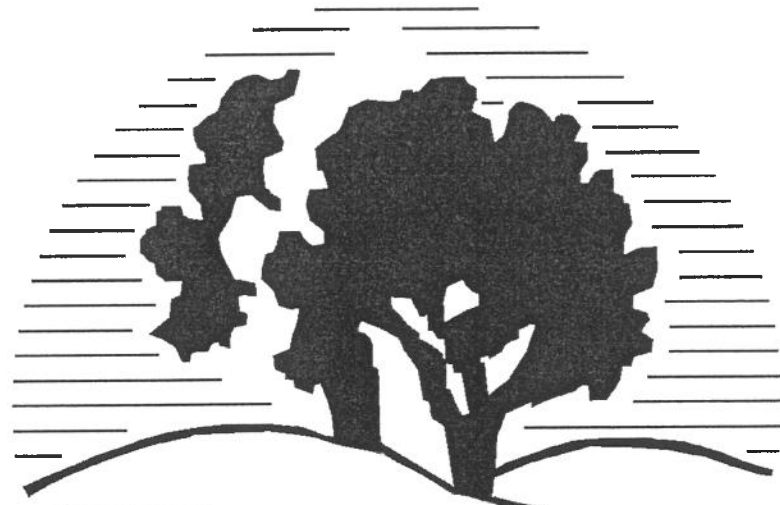
- Street division had \$113,462 under budget in commodities for salt purchase. The City purchased less amount of salt during 2003 due to a high level of salt inventory from prior year.

**Economic Factors and Next Year's Budget**

Decreased sales tax revenues and declining interest rates are the major factors affecting the 2004 budget for the City. During the current fiscal year, unreserved fund balance was reduced by \$791,075. Downward revenue trends led the 2004 budget to include a further reduction of \$1,097,000 unreserved fund balance.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance and Administration, 690 Chesterfield Parkway West, Chesterfield, MO 63017-0760.



**e** City of  
Chesterfield

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## **Basic Financial Statements**

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**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Net Assets**  
**December 31, 2003**

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Chesterfield Community Development Corporation</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 33,167,062	173,123
Investments	1,796,720	-
Receivables, net	10,378,145	5,991
Deferred charges	791,672	-
Other assets	314,738	5,636
Capital assets, net of accumulated depreciation	150,839,883	9,470
Total assets	197,288,220	194,220
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	873,913	4,555
Accrued salaries and other benefits	439,485	5,482
Accrued interest payable	1,404,256	-
Deferred revenue	493,463	-
Other liabilities	18,310	-
Long-term liabilities:		
Due within one year	5,322,774	-
Due in more than one year	93,958,650	-
Total liabilities	102,510,851	10,037
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	100,479,329	9,470
Restricted:		
Debt service	2,608,324	-
Capital project	1,772,714	-
Tax increment financing projects	26,011,412	-
Sewer lateral repair project	380,128	-
Unrestricted deficit	(36,474,538)	174,713
Total net assets	\$ 94,777,369	184,183

**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Activities**  
**For the year ended December 31, 2003**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating	Capital	Primary Government	Component Unit
			Grants and Contributions	Grants and Contributions	Governmental Activities	CCDC
<b>Primary Government</b>						
Governmental activities:						
General government	\$ 2,596,258	541,361	-	33,333	(2,021,564)	-
Parks and recreation	1,759,887	420,887	10,000	138,649	(1,190,351)	-
Judicial	169,118	809,258	-	-	640,140	-
Planning	588,615	20,850	-	-	(567,765)	-
Public works	14,763,996	314,534	4,583,861	1,224,670	(8,640,931)	-
Public safety	6,540,437	63,924	307,778	-	(6,168,735)	-
Community development	179,090	-	-	-	(179,090)	-
Interest and fiscal charges	4,594,305	-	-	-	(4,594,305)	-
Total governmental activities	<u>31,191,706</u>	<u>2,170,814</u>	<u>4,901,639</u>	<u>1,396,652</u>	<u>(22,722,601)</u>	<u>-</u>
<b>Component Unit</b>						
CCDC	276,852	22,950	82,800	-	-	(171,102)
Total component unit	<u>\$ 276,852</u>	<u>22,950</u>	<u>82,800</u>	<u>-</u>	<u>-</u>	<u>(171,102)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purpose					6,532,950	-
Property taxes, levied for debt service					651,089	-
Sales and local use taxes					12,961,633	-
Gross receipts taxes (includes franchise tax)					4,985,577	-
Miscellaneous taxes (includes sewer lateral)					549,249	-
Unrestricted interest earnings					486,186	2,698
Sale of capital assets					(29,814)	-
Miscellaneous					299,820	420
Support provided by City					-	178,423
Total general revenues and transfers					<u>26,436,690</u>	<u>181,541</u>
Change in net assets					3,714,089	10,439
Net assets - beginning of year					91,063,280	173,744
Net assets - end of year					<u>\$ 94,777,369</u>	<u>184,183</u>

See accompanying notes to basic financial statements.

**CITY OF CHESTERFIELD, MISSOURI**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2003**

	Major Funds						Nonmajor Funds	Total Governmental Funds
	General Fund	Chesterfield Valley Tax Increment Financing	Capital Improvement Sales Tax Trust	TIF Bond	TIF Bond Debt Service	Capital Project	Other Governmental Funds	
<b>ASSETS</b>								
Cash and cash equivalents - unrestricted	\$ 4,041,983	6,122,292	6,347,343	7,263,294	6,307,667	-	3,084,483	33,167,062
Investments - unrestricted	1,053,125	-	-	513,595	-	-	230,000	1,796,720
Receivables:								
Municipal taxes	1,066,713	6,145,891	572,311	-	-	-	682,454	8,467,369
Intergovernmental	1,025,733	-	-	-	-	-	-	1,025,733
Interest	14,905	14,469	-	3,097	681	-	898	34,050
Other	714,620	-	136,373	-	-	-	-	850,993
Due from other funds	5,578,075	133,788	272,428	-	-	-	1,245	5,985,536
Prepays	314,738	-	-	-	-	-	-	314,738
Total assets	\$ 13,809,892	12,416,440	7,328,455	7,779,986	6,308,348	-	3,999,080	51,642,201
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 833,837	16,816	-	13,260	-	-	10,000	873,913
Accrued salaries and other benefits	439,485	-	-	-	-	-	-	439,485
Due to other funds	407,461	-	5,555,741	-	-	-	22,334	5,985,536
Deferred revenue	551,339	544,802	-	-	-	-	105,946	1,202,087
Other liabilities	18,310	-	-	-	-	-	-	18,310
Total liabilities	2,250,432	561,618	5,555,741	13,260	-	-	138,280	8,519,331
<b>Fund balances</b>								
Reserved:								
Prepays	314,738	-	-	-	-	-	-	314,738
Unreserved, reported in:								
Designated for subsequent year expenditures	189,086	-	-	-	-	-	-	189,086
General Fund	11,055,636	-	-	-	-	-	-	11,055,636
Special Revenue Funds	-	11,854,822	1,772,714	7,766,726	-	-	417,452	21,811,714
Debt Service Funds	-	-	-	-	6,308,348	-	3,443,348	9,751,696
Total fund balances	11,559,460	11,854,822	1,772,714	7,766,726	6,308,348	-	3,860,800	43,122,870
Total liabilities and fund balances	\$ 13,809,892	12,416,440	7,328,455	7,779,986	6,308,348	-	3,999,080	51,642,201

See accompanying notes to basic financial statements.

**CITY OF CHESTERFIELD, MISSOURI**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**December 31, 2003**

Total fund balances - governmental funds - balance sheet	\$ 43,122,870
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements. This is amount by which capital outlays (\$201,360,663) exceed accumulated depreciation (\$50,520,780) in the current period.	150,839,883
Property taxes are assessed by the City, but are not collected as of December 31, 2003 and deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	650,748
Court fines receivable as of December 31, 2003 are deferred within the fund financial statements. This amount is recognized in the government-wide financial statements.	57,876
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net assets. Also, during the year the City issued new debt and refunded some of its existing debt. Discounts and bond issuance costs are reported in the governmental fund financial statements when the debt was issued, whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.	
Balances as of December 31, 2003 are:	
Accrued compensated absences, vacation, and compensatory time-off	(419,265)
Accrued interest on outstanding debts	(1,404,256)
Bonds, notes payable, and lease obligations outstanding	(99,006,059)
Unamortized bond discount	143,900
Unamortized bond issuance cost for debts issued in the previous year	791,672
Total net assets - governmental activities - statement of net assets	\$ 94,777,369

**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended December 31, 2003**

	Major Funds					Nonmajor Funds	Total Governmental Funds	
	General Fund	Chesterfield Valley Tax Increment Financing	Capital Improvement Sales Tax Trust	TIF Bond	TIF Bond Debt Service	Capital Project		Other Governmental Funds
<b>REVENUES</b>								
Municipal taxes	\$ 9,758,477	11,491,284	3,761,895	-	-	-	1,077,120	26,088,776
Licenses and permits	1,115,271	-	-	-	-	-	-	1,115,271
Intergovernmental	3,779,685	-	1,633,209	-	-	-	42,026	5,454,920
Charges for services, net	557,289	-	-	-	-	-	-	557,289
Court fines and forfeitures	751,382	-	-	-	-	-	-	751,382
Investment income, net arbitrage	95,060	52,154	84,672	54,851	169,747	-	(110,427)	346,057
Miscellaneous	125,795	311,928	45,000	-	-	-	-	482,723
Total revenues	<u>16,182,959</u>	<u>11,855,366</u>	<u>5,524,776</u>	<u>54,851</u>	<u>169,747</u>	<u>-</u>	<u>1,008,719</u>	<u>34,796,418</u>
<b>EXPENDITURES</b>								
Current:								
Legislative	67,900	-	-	-	-	-	-	67,900
Administrative	2,220,048	-	-	-	-	-	3,464	2,223,512
Police services	6,384,181	-	-	-	-	-	27,563	6,411,744
Judicial	170,479	-	-	-	-	-	-	170,479
Planning and zoning	578,545	-	-	-	-	-	-	578,545
Public works	3,975,329	2,740,554	-	1,652,124	-	429,333	361,079	9,158,419
Parks and recreation	1,251,006	-	-	-	-	-	-	1,251,006
Capital outlay	728,600	31,807	-	-	-	5,401,372	-	6,161,779
Debt service:								
Principal	-	9,775	-	-	6,073,693	-	1,965,000	8,048,468
Interest and fiscal charges	-	8,857	-	2,534	1,992,978	-	2,521,370	4,525,739
Total expenditures	<u>15,376,088</u>	<u>2,790,993</u>	<u>-</u>	<u>1,654,658</u>	<u>8,066,671</u>	<u>5,830,705</u>	<u>4,878,476</u>	<u>38,597,591</u>
Excess (deficiency) of revenues over (under) expenditures	<u>806,871</u>	<u>9,064,373</u>	<u>5,524,776</u>	<u>(1,599,807)</u>	<u>(7,896,924)</u>	<u>(5,830,705)</u>	<u>(3,869,757)</u>	<u>(3,801,173)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds of tax increment financing notes	-	2,629,417	-	-	-	-	-	2,629,417
Sale of capital assets	109,584	-	-	-	-	-	-	109,584
Transfers in	-	-	-	11,247,160	8,530,798	5,830,705	3,745,370	29,354,033
Transfers out	(1,707,530)	(9,780,202)	(7,808,348)	(9,811,155)	(186,601)	-	(60,197)	(29,354,033)
Total other financing sources (uses), net	<u>(1,597,946)</u>	<u>(7,150,785)</u>	<u>(7,808,348)</u>	<u>1,436,005</u>	<u>8,344,197</u>	<u>5,830,705</u>	<u>3,685,173</u>	<u>2,739,001</u>
Net change in fund balances	<u>(791,075)</u>	<u>1,913,588</u>	<u>(2,283,572)</u>	<u>(163,802)</u>	<u>447,273</u>	<u>-</u>	<u>(184,584)</u>	<u>(1,062,172)</u>
Fund balances:								
Beginning of year	12,350,535	9,941,234	4,056,286	7,930,528	5,861,075	-	4,045,384	44,185,042
End of year	<u>\$ 11,559,460</u>	<u>11,854,822</u>	<u>1,772,714</u>	<u>7,766,726</u>	<u>6,308,348</u>	<u>-</u>	<u>3,860,800</u>	<u>43,122,870</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended December 31, 2003**

Net change in fund balances - governmental funds - statement of revenues, expenditures, and changes in fund balances \$ (1,062,172)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets, meeting the capitalization threshold, is allocated over their estimated useful lives and recorded as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays, meeting the capitalization threshold in the current period. (473,914)

Loss on retirements of capital assets (47,699)

The net effect of various miscellaneous transactions involving capital assets:

Cost of vehicles sold	(91,699)	
Contributed capital assets - infrastructure:		
Street, bridges, and right of way	975,920	884,221

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements:

Property taxes for TIF Fund	(1,115,694)	
Property taxes for Park Debt Service Fund	(52,668)	(1,168,362)

Court fines accounts receivable deferred is recognized as revenue in the statement of activities that do not provide current financial resources is not reported as revenue in the fund financial statements. 57,876

Bond proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the liability in the statement of net assets.

Debt issued during the current year:		
TIF Notes Phase III	(2,629,417)	

Repayments during the current year:		
Levee District Note	158,468	
TIF Refunding and Improvement Bond	5,925,000	
Annual principal payments on bonds and certificates of participation	1,965,000	5,419,051

Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

This adjustment combines the net changes of the following:

Accrued compensated absences	33,515	
Accrued arbitrage payable	140,131	
Accrued interest on bonds	(1,083)	
Amortized bond discount	(10,279)	
Amortized bond issuance cost	(57,196)	105,088

Change in net assets - governmental activities - statement of activities \$ 3,714,089

**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2003**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>1,892,128</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	231,382
Deposits held in escrow	<u>1,660,746</u>
Total liabilities	<u>1,892,128</u>
<b>NET ASSETS</b>	<u>\$ -</u>

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

**(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 U.S. 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.

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 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. The accompanying financial data presented for the CCDC reflect twelve months of activity ending June 30, 2003. Complete financial statements of the CCDC can be obtained from their administrative offices at 690 Chesterfield Parkway West, Chesterfield, MO 63017-0760.

**(b) *Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the component unit for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted inter-



**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

est earnings, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues.

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The City has determined that the General Fund, the Chesterfield Valley Tax Increment Financing Fund, Capital Improvement Sales Tax Trust Fund, TIF Bond Fund, TIF Bond Debt Service Fund, and the Capital Project Fund are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balance for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the City are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions are financed. The acquisition uses and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the City's governmental major funds:

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

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

**Capital Improvement Sales Tax Trust Fund** - The Capital Improvement Sales Tax Trust Fund is a Special Revenue Fund which is used to account for special

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

revenues received from the capital improvement sales tax which are specifically earmarked for capital improvements.

**TIF Bond Fund** - The TIF Bond Fund is a Special Revenue Fund which is used to account for the special revenues received from the City's Refunding and Improvement Bonds, which are required to be segregated into a special allocation fund and designated for use in the TIF district only. These bonds refunded all prior outstanding TIF notes.

**TIF Bond Debt Service Fund** - The TIF Bond Debt Service Fund is a Debt Service Fund which is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs on the TIF Refunding and Improvement Revenue Bonds Series 2002.

**Capital Project Fund** - The Capital Project Fund is used to account for financial resources designated for the acquisition or construction of major capital facilities or improvements.

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

**Fiduciary Fund Type**

**Agency Fund** - Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governmental units. Agency Funds are accounted for and reported similar to a proprietary fund type. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of the Court Bond Fund, Explorer's Fund, Highway 40 Trust Fund and miscellaneous escrow funds.

**Discretely Presented Component Unit - Chesterfield Community Development Corporation**

The 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.

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

In the government-wide financial statements, the City applies all applicable GASB pronouncements as well as the following private-sector pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: FASB Statements and Interpretations,, APB Opinions, and ARBs of the Committee on Accounting Procedure.

*(c) Measurement Focus and Basis of Accounting*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. At year-end, entries are recorded for financial reporting purposes to reflect the modified accrual basis of accounting for governmental funds types. All fiduciary funds, including Agency Funds, use the accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term "available" is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For the City, available is defined as expected to be received within sixty days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due (i.e. matured).

GASB Statement No. 33 (GASB No. 33) groups nonexchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed non-exchange revenues, government mandated nonexchange transactions, and voluntary nonexchange transactions.

The City recognizes assets from derived tax revenue transactions (such as sales and utilities gross receipt taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as deferred revenues until the period of the exchange.

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

The City recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed nonexchange revenues also include permits and court fines and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB No. 33, have been met. Any resources received before eligibility requirements are met are reported as deferred revenues.

Charges for services in the governmental funds, which are exchange transactions and are, therefore, not subject to the provisions of GASB No. 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

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

**(d) *Encumbrances***

Within the governmental fund financial statements, no fund balances have been reserved for outstanding encumbrances, since appropriations lapse at year-end. Encumbrances are reappropriated in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments.

**(e) *Cash and Cash Equivalents***

Cash and cash equivalents are comprised of the City's cash deposits with banks, petty cash funds, repurchase agreements, and money market mutual funds.

**(f) *Investments***

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

**(g) *Capital Assets***

Capital assets, which include buildings, other improvements, machinery and equipment, automobiles and trucks, and infrastructure (e.g., streets, side-walks, roads, bridges and similar items), are reported in the governmental activities column in the government-wide financial statements, net of accumulated depreciation. Capital assets are defined by the City as assets with an estimated useful life in excess of one year with an initial, individual cost of \$5,000 or more. Infrastructure assets are defined as streets with a cost of at least \$250,000, sidewalks with a cost of at least \$50,000, land improvements with a cost of at least \$5,000 and all buildings, building improvements, and land.

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. General infrastructure assets acquired prior to January 1, 2002 consist of the road network assets that were acquired or that received substantial improvements and are reported at estimated historical cost using deflated replacement cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets (with the ½ year convention election applied in the first and last year), except for roads which is computed using the composite method. The estimated useful lives of depreciable capital assets are as follows:

	<u>Years</u>
Buildings	40
Other improvements	10-25
Machinery and equipment	5-10
Automobiles and trucks	5-7
Infrastructure	15-30

**(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 entire accrued benefit liability related to the City's compensated absences in the amount of \$419,265 has been recorded in the government-wide financial statements.

**(i) *Interfund Transactions***

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

***Transfers***

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

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

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

**(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. This deferred revenue is recorded in the government-wide and fund financial statements. Also included in the fund financial statements in deferred revenue and court receivables are property tax revenues and current receivables which are not collected within 60 days following the end of the current period.

**(k) *Reserved Fund Balances***

Within the governmental fund financial statements, reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriation or is legally segregated for a specific future use. Reserved fund balances at December 31, 2003 are comprised of prepaid assets.

**(l) *Long-term Liabilities***

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

**(m) *Amortization***

In government-wide financial statements, bond discounts are recorded as a reduction of the debt obligation and bond issuance costs are recorded as a deferred charge. Such amounts are amortized using the interest method or bonds outstanding method over the term of the related bonds.

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

**(n) *Use of Estimates***

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

**(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.

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

At year-end, the carrying amount of the City's deposits was (\$54,849) and the bank balance was \$167,205. Of the bank balance, \$100,000 was insured by the Federal Depository Insurance Corporation (FDIC) and \$67,205 was collateralized with securities held by the Federal Reserve in a joint custody account of the City and the pledging financial institution.

The City's investments are categorized below to give an indication of the level of custodial credit 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.

	<u>Categories</u>			<u>Carrying Amounts/ Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Investments:				
U.S. Treasury and agency securities	\$1,053,125	-	743,595	1,796,720
Repurchase agreements	-	24,380,365	-	24,380,365
Total investment	<u>\$1,053,125</u>	<u>24,380,365</u>	<u>743,595</u>	26,177,085
Money market mutual funds				10,633,472
Certificate of deposit				100,202
Cash deposits				<u>(54,849)</u>
Total - primary government				<u>\$36,855,910</u>

The following is a reconciliation of the City's deposit and investment balances at December 31, 2003:

	<u>Government-wide Statement of Net Assets</u>	<u>Fiduciary Funds Statement of Fiduciary Net Assets</u>	<u>Total</u>
Cash and cash equivalents	\$33,167,062	1,892,128	35,059,190
Investments	<u>1,796,720</u>	<u>-</u>	<u>1,796,720</u>
	<u>\$34,963,782</u>	<u>1,892,128</u>	<u>36,855,910</u>

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

**(3) Receivables, net of allowances**

	<u>Municipal</u> <u>Taxes</u>	<u>Intergovern-</u> <u>mental</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u> <u>Receivables</u>
<b>Governmental activities:</b>					
General Fund	\$1,066,713	1,025,733	14,905	714,620	2,821,971
Chesterfield Valley Tax Increment Financing Fund	6,145,891	-	14,469	-	6,160,360
Capital Improvement Sales Tax Trust Fund	572,311	-	-	136,373	708,684
TIF Bond Fund	-	-	3,097	-	3,097
TIF Bond Debt Service Fund	-	-	681	-	681
Nonmajor Other Governmental Funds	<u>682,454</u>	<u>-</u>	<u>898</u>	<u>-</u>	<u>683,352</u>
Total govern- mental activities	<u>\$8,467,369</u>	<u>1,025,733</u>	<u>34,050</u>	<u>850,993</u>	<u>10,378,145</u>

All amounts are scheduled for collection during the subsequent fiscal year.



**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

**(4) Capital Assets**

The following is a summary of changes in capital assets - governmental activities for the year ended December 31, 2003:

	<u>Balance December 31, 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance December 31, 2003</u>
<b>Governmental activities:</b>					
<i>Capital assets not being depreciated:</i>					
Land	\$ 12,981,078	31,807	-	-	13,012,885
Right-of-way	73,013,885	123,795	-	-	73,137,680
Construction in progress	<u>257,827</u>	<u>155,402</u>	<u>-</u>	<u>(257,827)</u>	<u>155,402</u>
Total capital assets not being depreciated	<u>86,252,790</u>	<u>311,004</u>	<u>-</u>	<u>(257,827)</u>	<u>86,305,967</u>
<i>Capital assets being depreciated:</i>					
Buildings	14,874,560	127,777	-	-	15,002,337
Other improvements	8,692,872	214,497	-	-	8,907,369
Machinery and equipment	3,250,892	227,130	339,408	-	3,138,614
Automobiles and trucks	2,976,021	414,212	420,989	-	2,969,244
Infrastructure	<u>82,582,113</u>	<u>3,186,984</u>	<u>989,792</u>	<u>257,827</u>	<u>85,037,132</u>
Total capital assets being depreciated	<u>112,376,458</u>	<u>4,170,600</u>	<u>1,750,189</u>	<u>257,827</u>	<u>115,054,696</u>
<i>Less - Accumulated depreciation for:</i>					
Buildings	886,404	375,308	-	-	1,261,712
Other improvements	1,749,061	398,876	-	-	2,147,937
Machinery and equipment	1,182,327	311,202	291,709	-	1,201,820
Automobiles and trucks	1,313,161	456,933	329,290	-	1,440,804
Infrastructure	<u>43,021,020</u>	<u>2,437,279</u>	<u>989,792</u>	<u>-</u>	<u>44,468,507</u>
Total accumulated depreciation	<u>48,151,973</u>	<u>3,979,598</u>	<u>1,610,791</u>	<u>-</u>	<u>50,520,780</u>
Total capital assets being depreciated, net	<u>64,224,485</u>	<u>191,002</u>	<u>139,398</u>	<u>257,827</u>	<u>64,533,916</u>
Governmental activities capital assets, net	<u>\$150,477,275</u>	<u>502,006</u>	<u>139,398</u>	<u>-</u>	<u>150,839,883</u>

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

Within the statement of activities, depreciation expense is charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 486,173
Parks and recreation	347,975
Planning	6,784
Public works	2,979,538
Public safety	<u>159,128</u>
Total depreciation expense, governmental activities	<u>\$3,979,598</u>

**(5) Accounts Payable**

The City's outstanding accounts payable at year-end was entirely attributable to direct payments to vendors.

**(6) Unrestricted Net Asset Deficit**

The government-wide statement of net assets reflects an unrestricted net asset deficit of (\$36,474,538). This total is comprised of \$11,235,395 in unrestricted net assets from operations and (\$47,709,933) in unrestricted net assets deficit resulting from the issuance of TIF Refunding and Improvement Revenue Bonds Series 2002 (TIF bonds), which refunded TIF notes previously issued in cooperation with the Monarch-Chesterfield Levee District for the construction of a 500-year levee in the redevelopment area. The Monarch-Chesterfield Levee District is a separate and distinct entity under GASB No. 14 and owns and operates the levee independently from the City.

The City's responsibility to repay the TIF bonds extends only to the incremental revenues generated by the TIF district. The TIF bonds are a special limited obligation of the City and are not used in calculating the City's debt limit.

**(7) 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 \$.06 per \$100 of assessed valuation and is for retirement of general obligation bonds payable.

Taxes levied for 2003 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 on the fund financial statements and recognized as revenue in the government-wide financial statements. The 2002 levy was due and collectible within the City's fiscal year ended December 31, 2003.

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

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

**(8) Risk Management**

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

The City, along with various other local governments, participates in an insurance trust for workers' compensation and for general liability matters (St. Louis Area Insurance Trust - SLAIT). The purpose of this trust is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment 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 trust; however, the City is contingently liable to fund its pro rata share of any deficit incurred by the trust should the trust cease operations at some future date. The trust has contracted with an insurance agent to handle all administrative matters, including processing of claims filed. The City's 2003 premium payments to the trust was \$339,820.

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.

**(9) 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 accordance with the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets and liabilities of the deferred compensation plan are not included in the accompanying basic financial statements.

**(10) 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 2003 was \$630,794 or 8% of covered payroll less any forfeitures from terminated nonvested employees.

Total covered payroll for the year was \$8,066,468 or 93% of the total City payroll of \$8,670,420.

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

**(11) Interfund Balances**

Individual fund interfund receivable and payable balances as of December 31, 2003 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Sales Tax Trust Fund	\$5,555,741
Capital Improvement Sales Tax Trust Fund	General Fund	272,428
Chesterfield Valley Tax Increment Financing Fund	General Fund	133,788
General Fund	Nonmajor Governmental Funds	22,334
Nonmajor Governmental Funds	General Fund	<u>1,245</u>
		<u>\$5,985,536</u>

All of these interfund balances are due to either timing differences or to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2004.

**(12) 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, 2003 are as follows:

2003	\$ 51,265
2004	57,050
2005	50,893
2006	26,665
2007	<u>10,542</u>
	<u>\$196,415</u>

**(13) Long-Term Liabilities**

The following is a summary of the changes in long-term liabilities for the year ended December 31, 2003:

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

	<u>Balance December 31, 2002</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2003</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 452,780	-	(33,515)	419,265	192,698
General obliga- tion bonds	32,805,000	-	(1,440,000)	31,365,000	1,525,000
Certificates of participations	19,575,000	-	(525,000)	19,050,000	555,000
TIF notes payable	1,100,110	2,629,417	(158,468)	3,571,059	255,076
TIF Refunding and Improvement Bonds	50,945,000	-	(5,925,000)	45,020,000	2,795,000
Less - Issuance discount	(154,179)	-	10,279	(143,900)	-
Total	<u>\$104,723,711</u>	<u>2,629,417</u>	<u>(8,071,704)</u>	<u>99,281,424</u>	<u>5,322,774</u>

***General Obligation Bonds Payable***

In May 1999, the City issued \$15,125,000 in General Obligation Bonds Series 1999 in order to finance capital expenditures within the City. The Series 1999 bonds bear interest ranging from 4.2% to 6% and are repaid through a Debt Service Fund.

In May 1998, the City issued \$10,215,000 in General Obligation Refunding Bonds Series 1998, the proceeds of which were used 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 basic financial statements.

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, 2003 are as follows:

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2004	\$ 1,525,000	1,470,648	2,995,648
2005	1,590,000	1,402,263	2,992,263
2006	1,660,000	1,329,700	2,989,700
2007	1,735,000	1,252,611	2,987,611
2008	1,815,000	1,171,420	2,986,420
2009-2013	10,490,000	4,452,839	14,942,839
2014-2018	10,515,000	1,727,631	12,242,631
2019	<u>2,035,000</u>	<u>49,858</u>	<u>2,084,858</u>
	<u>\$31,365,000</u>	<u>12,856,970</u>	<u>44,221,970</u>

***Certificates of Participation***

In November 2002, the City issued \$2,325,000 in Certificates of Participation (Series 2002) which the City and the Trustee-BNY Trust Company of Missouri have entered into a base lease, pursuant to which the City, as lessor, has leased to the Trustee, as lessee, the real estate on which the City's maintenance facility is located, together with all improvements now or to be situated thereon for rent. The Series 2002 Certificates of Participation have been delivered and sold for the purpose of providing funds, together with other funds of the City, to pay the costs of 1) re-funding \$2,235,000 outstanding principal amount of Certificates of Participation Series 1995, which were issued to provide funds to acquire and construct a new maintenance facility for the City; 2) fund a debt service reserve fund for the Certificates; and 3) pay the costs of delivering the Certificates. The Certificates of Participation bear interest from 2% to 4.2% and are repaid through a transfer of general fund operating revenues to a Debt Service Fund.

In April 2000, the City issued \$17,565,000 in Certificates of Participation (Series 2000) which represent proportionate interests in base rentals to be paid by the City pursuant to an annually renewable lease/purchase agreement dated April 17, 2000 between the City and UMB Bank, N.A. Company of 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 City Hall. The base rentals constitute rent for the facility pursuant to the lease. The certificates of participation bear interest ranging from 4.65% to 5.7% 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 certificates of participation as of December 31, 2003 are as follows:

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2004	\$ 555,000	977,400	1,532,400
2005	605,000	953,787	1,558,787
2006	665,000	927,215	1,592,215
2007	690,000	897,895	1,587,895
2008	755,000	865,998	1,620,998
2009-2013	4,765,000	3,716,450	8,481,450
2014-2018	6,210,000	2,268,367	8,478,367
2019-2020	<u>4,805,000</u>	<u>327,323</u>	<u>5,132,323</u>
	<u>\$19,050,000</u>	<u>10,934,435</u>	<u>29,984,435</u>

***Tax Increment Financing Notes Payable and TIF Refunding and Improvement Revenue Bonds***

In 2002, the City issued Series 2002 Tax Increment Financing (TIF) Notes in cooperation with the Monarch-Chesterfield Levee District (Levee District) for the purpose of paying a portion of the redevelopment project costs in connection with the “Chesterfield Valley Tax Increment Financing District Redevelopment Plan (Redevelopment Plan)”. The Levee District assumes ownership of the levee redevelopment project and the City’s projects costs are intended to provide for the general health, safety, and welfare of that portion of the City affected by the Monarch-Chesterfield Levee. The TIF Notes are considered a special limited obligation of the City and have been issued to the Levee District. The City will make principal and interest payments on the TIF Notes to the Levee District based on incremental payments in lieu of taxes attributable to the project site.

In 2002, the City also issued \$50,945,000 in TIF Refunding and Improvement Revenue Bonds pursuant to the Act and Trust Indenture dated of April 1, 2002, between the City and UMB Bank, N.A., Kansas City, Missouri as trustee, for the purpose of providing funds to 1) refund prior outstanding TIF notes, 2) reimburse THF (the development company) for certain costs incurred and to be incurred in accordance with the THF redevelopment agreement, 3) finance the City Project, 4) fund a debt service reserve fund for the bonds, and 5) pay costs of issuance of the Series 2002 bonds. The City will make principal and interest payments on the TIF bonds based on incremental payments in lieu of taxes (PILOTs) and economic activity tax (EATs) generated within the redevelopment area.

The composition of the City’s TIF notes payable is as follows:

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

	<b>Balance December 31, 2002</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2003</b>
Levee District TIF notes payable: Series 2002, tax increment revenue notes, interest rate 6.041%, payable through August 15, 2017	<u>\$1,100,110</u>	<u>2,629,417</u>	<u>(158,468)</u>	<u>3,571,059</u>

Since annual repayment amounts for the Levee District TIF notes will be determined based upon future revenues, a schedule of debt service requirements to maturity cannot be established.

The annual principal and interest requirements to maturity of the TIF Refunding and Improvement Revenue Bonds as of December 31, 2003 are as follows:

	<b>TIF Refunding and Improvement Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2004	\$ 2,795,000	1,761,853	4,556,853
2005	2,890,000	1,668,924	4,558,924
2006	2,980,000	1,576,484	4,556,484
2007	3,085,000	1,474,071	4,559,071
2008	3,195,000	1,360,976	4,555,976
2009-2013	18,055,000	4,734,094	22,789,094
2014-2016	<u>12,020,000</u>	<u>788,850</u>	<u>12,808,850</u>
	<u>\$45,020,000</u>	<u>13,365,252</u>	<u>58,385,255</u>

**(14) Interfund Transfers**

Individual fund transfers for the year ended December 31, 2003 are as follows:



**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

	Transfer From						Total
	General Fund	Chesterfield Valley Tax Increment Financing Fund	Capital Improvement Sales Tax Trust Fund	TIF Bond Fund	TIF Bond Debt Service Fund	Other Governmental Funds	
Transfer To							
Capital Project Fund	\$ 274,964	-	5,555,741	-	-	-	5,830,705
TIF Bond Fund	-	9,780,202	-	1,280,357	186,601	-	11,247,160
TIF Bond Debt Service Fund	-	-	-	8,530,798	-	-	8,530,798
Other Governmental Funds	<u>1,432,566</u>	<u>-</u>	<u>2,252,607</u>	<u>-</u>	<u>-</u>	<u>60,197</u>	<u>3,745,370</u>
	<u>\$1,707,530</u>	<u>9,780,202</u>	<u>7,808,348</u>	<u>9,811,155</u>	<u>186,601</u>	<u>60,197</u>	<u>29,354,033</u>

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

**(15) 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.

**(16) Discretely Presented Component Unit - Chesterfield Community Development Corporation**

The following notes relate only to CCDC:

**(a) Organization**

The CCDC was formed May 5, 1992 under the official name "Industrial Development Authority (IDA) of the City of Chesterfield, Missouri". It is, however, registered to conduct business as the "Chesterfield Community Development Corporation." The CCDC is a public corporation organized to promote and solicit industrial and economic projects within Chesterfield. An IDA acts as a conduit for purposes of qualifying industrial development bonds as tax-exempt under provisions of Section 103 of the Internal Revenue Code. In order to finance a project, an IDA issues its bonds, the proceeds of which are loaned to acquire the real property and improvements, and/or the equipment comprising the project. Concerning each project, an IDA assigns all rights, title, and interest to a trustee for the benefit of the bond purchaser, and it does not acquire any beneficial interest in any project. In the event of default, an IDA is not liable for payment of the bonds. Accordingly, neither the assets of the projects nor the bonds payable are reflected in the accompanying financial statements. The CCDC issued \$6,600,000 in variable rate demand educational facilities revenue bonds on January 22, 2003 to Gateway

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

Academy, Inc. Project for the purpose of providing funds to refinance its 1998 bonds and pay a portion of costs of the acquisition, construction, equipping and installation of an educational facility.

**(b) Measurement Focus and Basis of Accounting**

The CCDC derives most of its revenues from an appropriation from the City and is considered to be an Enterprise Fund; accordingly, the CCDC presents its financial statements using the economic resources measurement focus and accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenues and expenses are categorized as either operating or nonoperating. Nonoperating activity includes the interest income. All other activities are considered operating.

In its accounting and financial reporting, the CCDC follows the pronouncements of GASB. In addition, the CCDC follows the pronouncements of all applicable FASB Statements and Interpretations, APB Opinions, and ARBs of the Committee on Accounting Procedure issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The CCDC has elected not to apply pronouncements issued by the FASB after November 30, 1989.

**(c) Cash and Cash Equivalents**

The bank balance of cash and cash equivalents at June 30, 2003 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 Treasury, agencies, and instrumentalities, obligations of the State of Missouri, certain commercial paper, and bank repurchase agreements.

	June 30 <u>2003</u>
Bank repurchase agreement	\$108,858
Certificates of deposit	68,517
Checking account (overdraft)	<u>(4,252)</u>
Total	<u>\$173,123</u>

The bank repurchase agreement is uninsured and unregistered for which the pledged securities are held as collateral by the counterparty's trust department or agent in the CCDC name.

**(d) Conduit Debt Obligations**

Various forms of tax-exempt and taxable indebtedness issued by CCDC have been loaned to qualified borrowers 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 bonds at June 30, 2003 was \$50,613,016.

**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

**(e) Operating Lease Commitment**

The CCDC leases office space under an operating lease expiring September 30, 2005. The required payments under this lease are as follows:

**For the years  
ended June 30**

2004	\$33,864
2005	35,133
2006	<u>8,889</u>
	<u>\$77,886</u>

Office lease rent expense for the year ended June 30, 2003 was \$35,338.

In addition to the above base rent, the CCDC must pay a proportionate share of the taxes on the property in excess of the commencement calendar year and operating expenses in excess of the fiscal year ending May 31, 2001.

**(f) Deferred Compensation Plan**

CCDC established a deferred compensation plan on March 27, 1996 under Internal Revenue Code Section 457. Contributions to the plan are made through employee elected salary deferrals and employer contributions of 8% (5% prior to July 1, 2002) of eligible wages. The CCDC contributed \$7,629 for the year ended June 30, 2003. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries.

**(g) Capital Assets**

CCDC's property and equipment are carried at cost, less accumulated depreciation. Capital assets purchased with an original value of \$500 or more are capitalized. Depreciation is computed using principally accelerated methods for equipment and the straight line method for leasehold improvements, using asset lives as follows:

	<u>Years</u>
Computer equipment	5
Furniture and fixtures	5-7
Leasehold improvements	39

Depreciation charged to operations for the year ended June 30, 2003 amounted to \$2,746.

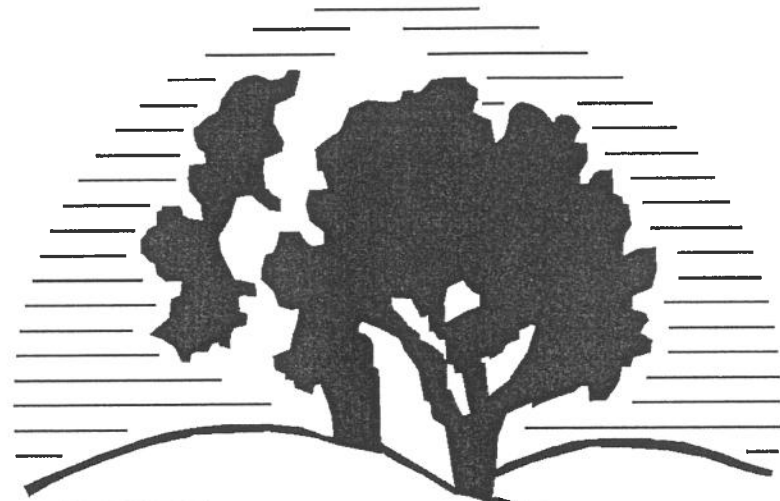
**City of Chesterfield, Missouri**  
**Notes to Basic Financial Statements**  
**December 31, 2003**

The following represents a summary of changes in CCDC's capital assets for the year ended June 30, 2003:

	<u>Balance June 30, 2002</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2003</u>
<i>Capital assets being depreciated:</i>				
Computer equipment and furniture and fixtures	\$32,105	-	-	32,105
Leasehold improvements	<u>5,171</u>	<u>-</u>	<u>-</u>	<u>5,171</u>
Total capital assets being depreciated	<u>37,276</u>	<u>-</u>	<u>-</u>	<u>37,276</u>
<i>Less - Accumulated depreciation for:</i>				
Computer equipment and furniture and fixtures	24,819	2,613	-	27,432
Leasehold improvements	<u>241</u>	<u>133</u>	<u>-</u>	<u>374</u>
Total accumulated depreciation	<u>25,060</u>	<u>2,746</u>	<u>-</u>	<u>27,806</u>
Total capital assets being depreciated, net	<u>12,216</u>	<u>(2,746)</u>	<u>-</u>	<u>9,470</u>
CCDC capital assets, net	<u>\$12,216</u>	<u>(2,746)</u>	<u>-</u>	<u>9,470</u>

**(17) Subsequent Event**

In May 2004, the City issued \$1,511,533 of Series 2002 TIF Notes in cooperation with the Monarch-Chesterfield Levee District (Levee District) for the purpose of paying a portion of the redevelopment project costs in connection with the "Chesterfield Valley Tax Increment Financing District Redevelopment Plan (Redevelopment Plan)". The Levee District assumes ownership of the levee redevelopment project and the City's projects costs are intended to provide for the general health, safety, and welfare of that portion of the City affected by the Monarch-Chesterfield Levee. The TIF Notes are considered a special limited obligation of the City and have been issued to the Levee District. The City will make principal and interest payments on the TIF Notes to the Levee District based on incremental payments in lieu of taxes attributable to the project site.



**e** City of  
Chesterfield

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## **Required Supplementary Information**

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**CITY OF CHESTERFIELD, MISSOURI**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the year ended December 31, 2003**

Schedule 1

	<b>Original Budget</b>	<b>Final Revised Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Municipal taxes:				
Utility gross receipts	\$ 4,141,000	4,141,000	4,181,849	40,849
Sales taxes	5,843,000	5,843,000	5,576,628	(266,372)
Total municipal taxes	9,984,000	9,984,000	9,758,477	(225,523)
Licenses and permits	1,098,400	1,098,400	1,115,271	16,871
Intergovernmental:				
Motor fuel and vehicle sale taxes	1,950,000	1,950,000	1,916,896	(33,104)
Cigarette tax	168,000	168,000	175,886	7,886
Road and bridge tax	1,359,000	1,359,000	1,229,506	(129,494)
Grants and other	278,009	467,309	457,397	(9,912)
Total intergovernmental	3,755,009	3,944,309	3,779,685	(164,624)
Charges for services:				
Inspection and subdivision fees	75,000	75,000	57,960	(17,040)
Zoning applications	10,000	10,000	8,004	(1,996)
Police reports	20,000	20,000	17,050	(2,950)
False alarms	40,000	40,000	46,874	6,874
Parks and recreation	393,000	393,000	420,887	27,887
Other charges	5,000	5,000	6,514	1,514
Total charges for services	543,000	543,000	557,289	14,289
Court fines and forfeitures	883,000	883,000	751,382	(131,618)
Investment income	330,000	330,000	95,060	(234,940)
Miscellaneous	185,833	196,852	235,379	38,527
Total revenues	16,779,242	16,979,561	16,292,543	(687,018)
<b>EXPENDITURES</b>	16,103,108	16,403,427	15,376,088	1,027,339
Excess of revenues over expenditures	676,134	576,134	916,455	340,321
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,674,614)	(1,674,614)	(1,707,530)	32,916
Net change in fund balance	\$ (998,480)	(1,098,480)	(791,075)	373,237

(Continued)

**CITY OF CHESTERFIELD, MISSOURI**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund (Continued)**  
**For the year ended December 31, 2003**

Schedule 1

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual Other Expenditures</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>General government:</b>				
Legislative - Mayor's Office and				
City council:				
Personal services	\$ 64,754	64,754	64,723	31
Contractual services	4,865	4,865	2,322	2,543
Commodities	1,400	1,400	855	545
Total legislative	<u>71,019</u>	<u>71,019</u>	<u>67,900</u>	<u>3,119</u>
Administrative:				
City clerk:				
Personal services	187,957	187,957	196,547	(8,590)
Contractual services	26,382	26,382	21,940	4,442
Commodities	700	700	106	594
Legal services:				
Contractual services	318,425	318,425	244,377	74,048
City administrator:				
Personal services	190,058	190,058	184,689	5,369
Contractual services	4,130	4,130	4,094	36
Finance:				
Personal services	378,908	378,908	347,018	31,890
Contractual services	113,405	113,405	107,008	6,397
Commodities	5,000	5,000	3,910	1,090
Central services:				
Contractual services	803,030	803,030	722,011	81,019
Commodities	71,900	71,900	54,546	17,354
Information systems:				
Personal services	253,072	253,072	250,425	2,647
Contractual services	52,650	52,650	39,284	13,366
Commodities	45,900	45,900	44,093	1,807
Total administrative	<u>2,451,517</u>	<u>2,451,517</u>	<u>2,220,048</u>	<u>231,469</u>
Police services:				
Personal services	6,106,801	6,106,801	5,977,209	129,592
Contractual services	324,685	326,435	305,437	20,998
Commodities	147,300	145,550	101,535	44,015
Capital outlay	193,500	193,500	159,625	33,875
Total police services	<u>6,772,286</u>	<u>6,772,286</u>	<u>6,543,806</u>	<u>228,480</u>
Judicial:				
Personal services	140,326	140,326	136,556	3,770
Contractual services	45,156	45,156	33,473	11,683
Commodities	2,200	2,200	450	1,750
Total judicial	<u>187,682</u>	<u>187,682</u>	<u>170,479</u>	<u>17,203</u>



**CITY OF CHESTERFIELD, MISSOURI**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund (Continued)**  
**For the year ended December 31, 2003**

Schedule 1

	Original Budget	Final Revised Budget	Actual Other Expenditures	Variance with Final Budget Positive (Negative)
<b>Planning and zoning:</b>				
Personal services	581,467	581,467	512,100	69,367
Contractual services	90,907	90,907	63,475	27,432
Commodities	4,844	4,844	2,970	1,874
Total planning and zoning	677,218	677,218	578,545	98,673
<b>Public works:</b>				
<b>Administration and engineering:</b>				
Personal services	976,063	976,063	967,752	8,311
Contractual services	117,245	117,245	78,205	39,040
Commodities	33,500	33,500	14,777	18,723
<b>Street and sewer maintenance:</b>				
Personal services	1,241,804	1,241,804	1,192,024	49,780
Contractual services	310,070	310,070	289,874	20,196
Commodities	434,000	434,000	320,538	113,462
Capital outlay	111,808	111,808	76,763	35,045
<b>Vehicle maintenance:</b>				
Personal services	283,844	283,844	268,301	15,543
Contractual services	182,795	184,790	168,555	16,235
Commodities	170,535	172,840	163,496	9,344
Capital outlay	18,525	14,225	-	14,225
<b>Building maintenance:</b>				
Personal services	236,221	236,221	227,475	8,746
Contractual services	237,900	237,900	243,517	(5,617)
Commodities	45,000	45,000	36,719	8,281
Capital outlay	65,000	65,000	138,658	(73,658)
<b>Street lighting - contractual services</b>				
Contractual services	12,500	12,500	4,096	8,404
Commodities	2,500	2,500	-	2,500
Total public works	4,479,310	4,479,310	4,190,750	288,560
<b>Parks and recreation:</b>				
<b>Administration:</b>				
Personal services	626,031	626,031	604,246	21,785
Contractual services	594,175	606,005	527,960	78,045
Commodities	118,580	121,485	118,800	2,685
Capital outlay	125,290	410,874	353,554	57,320
Total parks and recreation	1,464,076	1,764,395	1,604,560	159,835
Total expenditures	\$ 16,103,108	16,403,427	15,376,088	1,027,339

**CITY OF CHESTERFIELD, MISSOURI**  
**Chesterfield Valley Tax Increment Financing Fund - Special Revenue Major Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the year ended December 31, 2003**

Schedule 2

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Municipal taxes:	\$			
Property taxes	6,736,969	6,736,969	7,648,644	911,675
Utility gross receipts	226,600	226,600	219,530	(7,070)
Sales taxes	3,397,000	3,397,000	3,623,110	226,110
Total municipal taxes	<u>10,360,569</u>	<u>10,360,569</u>	<u>11,491,284</u>	<u>1,130,715</u>
Investment income	224,300	224,300	52,154	(172,146)
Miscellaneous	-	-	311,928	311,928
Total revenues	<u>10,584,869</u>	<u>10,584,869</u>	<u>11,855,366</u>	<u>1,270,497</u>
<b>EXPENDITURES</b>				
Public works	150,000	150,000	2,740,554	(2,590,554)
Capital outlay	-	-	31,807	(31,807)
Debt service:				
Principal	-	-	9,775	(9,775)
Interest and fiscal charges	-	-	8,857	(8,857)
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>2,790,993</u>	<u>(2,640,993)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,434,869</u>	<u>10,434,869</u>	<u>9,064,373</u>	<u>(1,370,496)</u>
<b>OTHER FINANCIAL SOURCES (USES)</b>				
Proceeds of tax increment financing notes	-	-	2,629,417	2,629,417
Transfers in	11,140,926	11,140,926	-	(11,140,926)
Transfers out	(21,548,638)	(21,548,638)	(9,780,202)	11,768,436
Total other financing sources (uses), net	<u>(10,407,712)</u>	<u>(10,407,712)</u>	<u>(7,150,785)</u>	<u>3,256,927</u>
Net change in fund balances	<u>\$ 27,157</u>	<u>27,157</u>	<u>1,913,588</u>	<u>1,886,431</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Capital Improvement Sales Tax Trust Fund- Special Revenue Major Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the year ended December 31, 2003**

Schedule 3

	<b>Original Budget</b>	<b>Final Revised Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Municipal taxes:				
Sales taxes	\$ 4,030,000	4,030,000	3,761,895	(268,105)
Intergovernmental	3,306,156	3,306,156	1,633,209	(1,672,947)
Investment income	50,000	50,000	84,672	34,672
Miscellaneous	-	-	45,000	45,000
Total revenues	7,386,156	7,386,156	5,524,776	(1,861,380)
<b>EXPENDITURES</b>				
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
	7,386,156	7,386,156	5,524,776	(1,861,380)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(10,004,378)	(10,004,378)	(7,808,348)	(2,196,030)
Net change in fund balance	\$ (2,618,222)	(2,618,222)	(2,283,572)	334,650

**City of Chesterfield, Missouri**  
**Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual**  
**For the year ended December 31, 2003**

**EXPLANATION OF BUDGETARY PROCESS**

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 the Capital Project Fund. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. The Council follows the procedures outlined below in establishing the budgetary data:

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.
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.

The legal level of budgetary control for the General Fund's original adopted annual budget is defined as the budgeted appropriation amount at the object level of expenditures (personnel services, contractual services, commodities, and capital outlay) for a program within a department of the General Fund.

Subsequent transfers within the General Fund budget may be made as follows:

- a) Heads of departments may make transfers between the object levels of expenditures for a program within a department of the General Fund 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 between the object levels of expenditures for a program within a department of the General Fund in an amount from \$2,500 to \$5,000 with the prior approval of the Director of Finance and Administration and the City Administrator.
- c) Approval of a majority of the City Council is required for all other transfer amounts.

The legal level of budgetary control for the original adopted annual budget for the Chesterfield Valley Tax Increment Financing Special Revenue Fund, Capital Improvement Sales Tax Trust Special Revenue Fund, all Debt Service Funds, and the

**City of Chesterfield, Missouri**  
**Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual**  
**For the year ended December 31, 2003**

Capital Project Fund is defined as the budgeted appropriation amount at the department level.

Supplemental appropriations can be made with the majority vote of the City Council. The City Council made an appropriation for a grant in the amount of \$189,300 from Municipal Parks Grant Commission (MPGC) and \$11,019 from Ameren UE and Friends for Chesterfield Parks. In addition, the City Council approved a transfer of \$100,000 from Wetlands Mitigation fund reserves. The total of \$300,319 was used for development of Chesterfield Athletic Complex. Due to budget controlling, all other budget items remained the same as original budget.

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## **Other Supplementary Information**

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## 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:

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.

Sewer Lateral - This fund is used to account for special revenues received which are specifically earmarked for expenditures for repairs to residential sanitary sewer laterals.

## 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:

Parks 1998 - 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.

Public Works Facility 1995 and 2002 - 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 and 2002.

R & S 1997 and 1999 - 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 issues, Series 1997 and Series 1999.

City Hall - This fund is used to account for the accumulation of resources and payment of principal and interest on Government Center Certificates of Participation issued in fiscal year 2000.

## Capital Project Funds

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

City Hall Construction - This fund is used to account for the financial resources designated for the acquisition of land and construction of the City's new government center.

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2003**

Schedule 4

	<u>Nonmajor Special Revenue Funds</u>			<u>Nonmajor Debt Service Fund</u>	<u>City Hall Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Police Forfeiture</u>	<u>Sewer Lateral</u>	<u>Total Special Revenue</u>			
<b>ASSETS</b>						
Cash and cash equivalents - unrestricted	\$ 37,324	226,672	263,996	2,820,487	-	3,084,483
Investments - unrestricted	-	-	-	230,000	-	230,000
Receivables:						
Municipal taxes	-	184,061	184,061	498,393	-	682,454
Interest	-	-	-	898	-	898
Due from other funds	-	-	-	1,245	-	1,245
Total assets	<u>\$ 37,324</u>	<u>410,733</u>	<u>448,057</u>	<u>3,551,023</u>	<u>-</u>	<u>3,999,080</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	10,000	10,000	-	-	10,000
Due to other funds	-	20,605	20,605	1,729	-	22,334
Deferred revenue	-	-	-	105,946	-	105,946
Total liabilities	<u>-</u>	<u>30,605</u>	<u>30,605</u>	<u>107,675</u>	<u>-</u>	<u>138,280</u>
<b>Fund Balances</b>						
Unreserved, reported in:						
Special Revenue Funds	37,324	380,128	417,452	-	-	417,452
Debt Service Funds	-	-	-	3,443,348	-	3,443,348
Total fund balances	<u>37,324</u>	<u>380,128</u>	<u>417,452</u>	<u>3,443,348</u>	<u>-</u>	<u>3,860,800</u>
Total liabilities and fund balances	<u>\$ 37,324</u>	<u>410,733</u>	<u>448,057</u>	<u>3,551,023</u>	<u>-</u>	<u>3,999,080</u>



**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended December 31, 2003**

Schedule 5

	<u>Nonmajor Special Revenue Funds</u>			<u>Nonmajor Debt Service Funds</u>	<u>City Hall Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Police Forfeiture</u>	<u>Sewer Lateral</u>	<u>Total Special Revenue</u>			
<b>REVENUES</b>						
Municipal taxes	\$ -	373,363	373,363	703,757	-	1,077,120
Intergovernmental	42,026	-	42,026	-	-	42,026
Investment income, net arbitrage	-	1,648	1,648	(112,087)	12	(110,427)
Total revenues	<u>42,026</u>	<u>375,011</u>	<u>417,037</u>	<u>591,670</u>	<u>12</u>	<u>1,008,719</u>
<b>EXPENDITURES</b>						
Administrative	-	-	-	-	3,464	3,464
Police services	27,563	-	27,563	-	-	27,563
Public works	-	361,079	361,079	-	-	361,079
Debt service:						
Principal	-	-	-	1,965,000	-	1,965,000
Interest and fiscal charges	-	-	-	2,521,370	-	2,521,370
Total expenditures	<u>27,563</u>	<u>361,079</u>	<u>388,642</u>	<u>4,486,370</u>	<u>3,464</u>	<u>4,878,476</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,463</u>	<u>13,932</u>	<u>28,395</u>	<u>(3,894,700)</u>	<u>(3,452)</u>	<u>(3,869,757)</u>
<b>OTHER FINANCING SOURCES(USES)</b>						
Transfers in	-	-	-	3,745,370	-	3,745,370
Transfers out	-	-	-	(60,197)	-	(60,197)
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,685,173</u>	<u>-</u>	<u>3,685,173</u>
Net change in fund balances	<u>14,463</u>	<u>13,932</u>	<u>28,395</u>	<u>(209,527)</u>	<u>(3,452)</u>	<u>(184,584)</u>
<b>FUND BALANCES</b>						
Beginning of year	22,861	366,196	389,057	3,652,875	3,452	4,045,384
End of year	<u>\$ 37,324</u>	<u>380,128</u>	<u>417,452</u>	<u>3,443,348</u>	<u>-</u>	<u>3,860,800</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2003**

<b>ASSETS</b>	<u>Parks – 1998</u>	<u>Public Works Facility – 1995 and 2002</u>	<u>R &amp; S – 1997 and 1999</u>	<u>City Hall</u>	<u>Total</u>
Cash and cash equivalents - unrestricted	\$ 1,023,768	9,035	-	1,787,684	2,820,487
Investments - unrestricted	-	230,000	-	-	230,000
Receivables:					
Municipal taxes	498,393	-	-	-	498,393
Interest	-	137	-	761	898
Due from other funds	-	1,245	-	-	1,245
Total assets	<u>\$ 1,522,161</u>	<u>240,417</u>	<u>-</u>	<u>1,788,445</u>	<u>3,551,023</u>
 <b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Due to other funds	\$ 222	1,507	-	-	1,729
Deferred revenue	105,946	-	-	-	105,946
Total liabilities	<u>106,168</u>	<u>1,507</u>	<u>-</u>	<u>-</u>	<u>107,675</u>
 <b>Fund balances</b>					
Total liabilities and fund balances	<u>\$ 1,522,161</u>	<u>238,910</u>	<u>-</u>	<u>1,788,445</u>	<u>3,443,348</u>
	<u>\$ 1,522,161</u>	<u>240,417</u>	<u>-</u>	<u>1,788,445</u>	<u>3,551,023</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the year ended December 31, 2003**

	<u>Parks – 1998</u>	<u>Public Works Facility – 1995 and 2002</u>	<u>R &amp; S – 1997 and 1999</u>	<u>City Hall</u>	<u>Total</u>
<b>REVENUES</b>					
Municipal taxes	\$ 703,757	-	-	-	703,757
Investment income, net arbitrage	8,828	5,271	(120,177)	(6,009)	(112,087)
Total revenues	<u>712,585</u>	<u>5,271</u>	<u>(120,177)</u>	<u>(6,009)</u>	<u>591,670</u>
<b>EXPENDITURES</b>					
Principal	475,000	170,000	965,000	355,000	1,965,000
Interest and fiscal charges	391,772	57,847	1,146,501	925,250	2,521,370
Total expenditures	<u>866,772</u>	<u>227,847</u>	<u>2,111,501</u>	<u>1,280,250</u>	<u>4,486,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(154,187)</u>	<u>(222,576)</u>	<u>(2,231,678)</u>	<u>(1,286,259)</u>	<u>(3,894,700)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	237,570	2,231,678	1,276,122	3,745,370
Transfers out	-	(15,028)	-	(45,169)	(60,197)
Total other financing sources (uses)	<u>-</u>	<u>222,542</u>	<u>2,231,678</u>	<u>1,230,953</u>	<u>3,685,173</u>
Net change in fund balances	<u>(154,187)</u>	<u>(34)</u>	<u>-</u>	<u>(55,306)</u>	<u>(209,527)</u>
<b>FUND BALANCES</b>					
Beginning of year	1,570,180	238,944	-	1,843,751	3,652,875
End of year	<u>\$ 1,415,993</u>	<u>238,910</u>	<u>-</u>	<u>1,788,445</u>	<u>3,443,348</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Debt Service - Parks 1998 - Nonmajor Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the year ended December 31, 2003**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Property taxes	\$ 598,296	703,757	105,461
Interest on Investments	15,000	8,828	(6,172)
Total revenues	<u>613,296</u>	<u>712,585</u>	<u>99,289</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	475,000	475,000	-
Interest and other charges	394,115	391,772	2,343
Total expenditures	<u>869,115</u>	<u>866,772</u>	<u>2,343</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(255,819)</u>	<u>(154,187)</u>	<u>101,632</u>
Net change in fund balances	<u>\$ (255,819)</u>	<u>(154,187)</u>	<u>101,632</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Debt Service - Public Works Facility 1995 and 2002 - Nonmajor Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the year ended December 31, 2003**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment income, net arbitrage	\$ 7,200	5,271	(1,929)
<b>EXPENDITURES</b>			
Debt service:			
Principal	175,000	170,000	5,000
Interest and other charges	54,368	57,847	(3,479)
Total expenditures	<u>229,368</u>	<u>227,847</u>	<u>1,521</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(222,168)</u>	<u>(222,576)</u>	<u>(408)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	222,168	237,570	15,402
Transfers out	<u>-</u>	<u>(15,028)</u>	<u>(15,028)</u>
Total other financing sources (uses)	<u>222,168</u>	<u>222,542</u>	<u>374</u>
Net change in fund balances	<u>\$ -</u>	<u>(34)</u>	<u>(34)</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Debt Service - R&S 1997 and 1999 - Nonmajor Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the year ended December 31, 2003**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment income, net arbitrage	\$ -	(120,177)	(120,177)
<b>EXPENDITURES</b>			
Debt service:			
Principal	965,000	965,000	-
Interest and other charges	1,151,083	1,146,501	4,582
Total expenditures	<u>2,116,083</u>	<u>2,111,501</u>	<u>4,582</u>
Excess (deficiency) of revenues over (under) expenditures	(2,116,083)	(2,231,678)	(115,595)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	2,116,083	2,231,678	115,595
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>-</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Debt Service - City Hall - Nonmajor Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the year ended December 31, 2003**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment income, net arbitrage	\$ 59,370	(6,009)	(65,379)
<b>EXPENDITURES</b>			
Debt service:			
Principal	355,000	355,000	-
Interest and other charges	925,816	925,250	566
Total expenditures	<u>1,280,816</u>	<u>1,280,250</u>	<u>566</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,221,446)</u>	<u>(1,286,259)</u>	<u>(64,813)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,221,446	1,276,122	54,676
Transfers out	<u>-</u>	<u>(45,169)</u>	<u>(45,169)</u>
Total other financing sources	<u>1,221,446</u>	<u>1,230,953</u>	<u>9,507</u>
Net change in fund balances	<u>\$ -</u>	<u>(55,306)</u>	<u>55,306</u>

## Capital Project Major Fund

Capital project funds are used to account for financial resources to be used for acquisition or construction of major capital facilities.

## 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.

### Agency Funds

Court 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.

Highway 40 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.

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.



**CITY OF CHESTERFIELD, MISSOURI**  
**Capital Project Fund - Capital Project Major Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the year ended December 31, 2003**

Schedule 12

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>	\$ -	-	-	-
<b>EXPENDITURES</b>				
Current:				
Public works	506,769	506,769	429,333	77,436
Capital outlay	7,612,526	7,612,526	5,401,372	2,211,154
Total expenditures	<u>8,119,295</u>	<u>8,119,295</u>	<u>5,830,705</u>	<u>2,288,590</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,119,295)</u>	<u>(8,119,295)</u>	<u>(5,830,705)</u>	<u>2,288,590</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>8,119,295</u>	<u>8,119,295</u>	<u>5,830,705</u>	<u>(2,288,590)</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**December 31, 2003**

**Schedule 13**

	<b>Court Bond Fund</b>	<b>Explorer's Fund</b>	<b>Highway 40 Trust Fund</b>	<b>Miscellaneous Escrow Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 85,078	7,329	224,053	1,575,668	1,892,128
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	-	7,329	224,053	-	231,382
Deposits held in Escrow	85,078	-	-	1,575,668	1,660,746
Total liabilities	85,078	7,329	224,053	1,575,668	1,892,128
<b>NET ASSETS</b>	-	-	-	-	-

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**For the year ended December 31, 2003**

	Balance December 31, 2002	Additions	Deductions	Balance December 31, 2003
<b>Court Bond Fund</b>				
Assets - cash and cash equivalents	\$ 99,753	21,899	36,574	85,078
Liabilities - deposits held in escrow	\$ 99,753	21,899	36,574	85,078
<b>Explorer's Fund</b>				
Assets - cash and cash equivalents	\$ 6,047	2,500	1,218	7,329
Liabilities - accounts payable	\$ 6,047	2,500	1,218	7,329
<b>Highway 40 Trust Fund</b>				
Assets - cash and cash equivalents	\$ 221,918	3,893	1,758	224,053
Liabilities - accounts payable	\$ 221,918	3,893	1,758	224,053
<b>Miscellaneous Escrow Fund</b>				
Assets - cash and cash equivalents	\$ 1,539,692	418,301	382,325	1,575,668
Liabilities - deposits held in escrow	\$ 1,539,692	418,301	382,325	1,575,668
<b>Total - All Agency Funds</b>				
Assets - cash and cash equivalents	\$ 1,867,410	446,593	421,875	1,892,128
Liabilities:				
Accounts payable	\$ 227,965	6,393	2,976	231,382
Deposits held in escrow	1,639,445	440,200	418,899	1,660,746
Total liabilities	\$ 1,867,410	446,593	421,875	1,892,128



## Statistical Section

**Table 1**

**CITY OF CHESTERFIELD, MISSOURI**  
**Government-wide Expenses by Function**  
**Fiscal year 2003**

<b>Function</b>	<b>2002</b>	<b>2003</b>
General government	\$ 2,779,184	2,596,258
Parks and recreation	1,733,646	1,759,887
Judicial	173,865	169,118
Planning	629,707	588,615
Public works	16,058,649	14,763,996
Public safety	6,733,157	6,540,437
Community development	177,757	179,090
Interest and fiscal charges	6,604,298	4,594,305
Total expenses	\$ <u>34,890,263</u>	<u>31,191,706</u>

Source: Basic financial statements.

Table 2

**CITY OF CHESTERFIELD, MISSOURI**  
**Government-wide Revenues by Source**  
**Fiscal Year 2003**

Source	<u>2002</u>	<u>2003</u>
Program revenues:		
Charges for services	\$ 2,391,047	2,170,814
Operating grants and contributions (1)	3,522,123	4,901,639
Capital grants and contributions (2)	984,191	1,396,652
General revenues:		
Taxes (1)	25,172,443	25,680,498
Unrestricted interest earnings	1,022,026	486,186
Sale of capital assets	177,094	(29,814)
Miscellaneous (2)	<u>300,798</u>	<u>299,820</u>
Total Revenues	<u>\$ 33,569,722</u>	<u>34,905,795</u>

Source: Basic financial statements.

(1) In 2002, reclassification of shared revenues from program revenues.

(2) In 2002, reclassification of contributed capital assets in the amount of \$956,072 from general revenue to program revenues.

Table 3

**CITY OF CHESTERFIELD, MISSOURI**  
**General Governmental Expenditures by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>1994</b>	<b>1995</b>	<b>1996 (1)</b>	<b>1997 (2)</b>	<b>1998 (3)</b>	<b>1999</b>	<b>2000</b>	<b>2001(4)</b>	<b>2002</b>	<b>2003</b>
Legislative	\$ 63,386	70,078	68,826	70,157	70,507	69,632	67,681	70,100	90,361	67,900
Administrative	1,160,205	1,489,115	1,684,613	1,947,219	1,949,709	2,010,632	2,335,494	2,466,183	2,356,730	2,223,512
Police services	3,262,201	3,760,415	4,155,693	4,326,367	4,800,224	5,183,018	5,646,960	5,990,868	6,393,749	6,411,744
Judicial	114,222	132,015	166,340	169,848	155,715	169,123	201,486	166,020	172,506	170,479
Planning and zoning	357,242	367,673	327,904	390,307	395,984	511,233	479,816	604,575	616,432	578,545
Public works	2,842,277	2,933,474	2,493,202	2,625,200	2,885,030	3,139,371	3,420,515	3,840,639	10,738,816	9,158,419
Parks and recreation	23,218	62,053	138,283	196,713	534,487	708,644	876,496	1,087,224	1,237,505	1,251,006
Capital outlay	2,905,064	4,170,729	9,241,840	18,363,647	15,757,867	36,150,760	14,822,309	25,871,583	7,243,084	6,161,779
Debt service	-	499,815	1,262,643	1,875,086	4,124,939	3,559,125	4,448,201	8,669,255	10,873,798	12,574,207
<b>Total</b>	<b>\$ 10,727,815</b>	<b>13,485,367</b>	<b>19,539,344</b>	<b>29,964,544</b>	<b>30,674,462</b>	<b>51,501,538</b>	<b>32,298,958</b>	<b>48,766,447</b>	<b>39,722,981</b>	<b>38,597,591</b>

## Notes:

- (1) 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.
- (2) The City used proceeds from a 1997 general obligation bond issued for the reconstruction of streets and sidewalks.
- (3) The City began paying principal on 1997 general obligation bond issue for the reconstruction of streets and sidewalks in 1998.
- (4) The City constructed its new City Hall and Police Station in 2001.

Source: Basic/general purpose financial statements.  
Includes all governmental fund types.

Table 4

**CITY OF CHESTERFIELD, MISSOURI**  
**General Governmental Revenues By Source**  
**Last Ten Fiscal Years**

Source:	1994	1995(1)(2)	1996	1997 (3)	1998 (4)	1999	2000(5)	2001	2002	2003
Municipal taxes (1)(2)(3)(5)	\$ 7,060,339	9,314,116	9,994,622	12,472,104	16,074,702	15,787,580	20,635,526	23,048,775	23,810,751	26,088,776
Licenses and permits	2,997,512	2,962,059	3,408,192	3,337,035	3,187,651	3,380,950	3,657,545	3,872,511	3,717,677	1,115,271
Intergovernmental	547,770	597,177	611,892	663,124	705,325	769,220	914,451	1,021,734	1,052,996	5,454,920
Charges for services, net	135,003	153,651	142,508	209,030	384,594	389,133	487,716	499,958	589,478	557,289
Court fines and forfeitures	377,377	516,212	521,039	409,817	479,621	690,546	799,467	765,774	836,305	751,382
Investment income	233,697	1,092,832	1,286,497	1,571,740	1,223,161	1,165,676	2,424,203	1,967,686	987,111	346,057
Miscellaneous	48,615	38,231	72,742	55,507	137,673	175,165	631,037	423,090	398,475	482,723
Total	<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>	<u>22,358,270</u>	<u>29,549,945</u>	<u>31,599,528</u>	<u>31,392,793</u>	<u>34,796,418</u>

## Notes:

- (1) 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.
- (2) The City adopted a property tax in 1995 and also received property tax revenue due to incremental growth in assessed valuation from the Chesterfield Valley TIF District.
- (3) The City passed a 1/2 cent capital improvements sales tax in November 1996 and began receiving the tax in April 1997.
- (4) 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.
- (5) The City passed a \$28 fee per household in 2000 for repairs to residential sanitary sewer laterals.

Source: Basic/general purpose financial statements.  
Includes all governmental fund types



Table 5

**CITY OF CHESTERFIELD, MISSOURI**  
**Municipal Tax Revenue by Source**  
**Last Ten Fiscal Years**

Source:	1994	1995	1996	1997	1998 (5)	1999	2000	2001	2002	2003
Property tax (2)	\$ -	1,325,557	1,560,636	1,848,504	2,078,155	2,949,830	5,305,275	6,602,637	6,553,172	8,352,401
Sewer lateral (5)	-	-	-	-	-	-	396,699	403,293	402,731	373,363
Utility gross receipts tax	3,323,852	3,359,052	3,667,368	3,799,169	3,868,894	3,999,872	4,306,962	4,612,239	4,233,487	4,401,379
Sales/use tax (1)(3)(4)	3,736,487	4,629,507	4,766,618	6,824,431	10,127,653	8,837,878	10,626,590	11,430,606	12,621,361	12,961,633
Total	<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>	<u>15,787,580</u>	<u>20,635,526</u>	<u>23,048,775</u>	<u>23,810,751</u>	<u>26,088,776</u>

## Notes:

- (1) 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.
- (2) The City adopted a property tax in 1995 and also received property tax revenue due to incremental growth in assessed valuation from the Chesterfield Valley TIF District.
- (3) The City passed a 1/2 cent capital improvements sales tax in November 1996 and began receiving the tax in April 1997.
- (4) 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.
- (5) The City passed a \$28 fee per household in 2000 for repairs to residential sanitary sewer laterals.

Source: Basic/general purpose financial statements.

Table 6

**CITY OF CHESTERFIELD, MISSOURI**  
**Intergovernmental Revenues by Source**  
**Last Ten Fiscal Years**

Source:	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Motor fuel tax	\$ 952,879	1,004,142	1,107,221	1,176,692	1,188,472	1,211,357	1,238,693	1,213,770	1,280,119	1,341,887
Motor vehicle sales tax	418,102	429,913	442,558	464,671	491,682	528,059	483,599	571,508	577,317	575,009
Cigarette tax	187,795	196,817	198,837	190,960	190,713	186,783	191,028	178,708	177,541	175,886
Road and bridge tax	793,127	858,907	879,913	922,582	998,344	1,064,557	1,159,953	1,254,710	1,286,086	1,229,506
Police block grant	-	-	-	-	-	9,782	13,692	19,462	12,015	1,317
Police traffic service grant	-	3,557	1,771	-	6,956	2,153	58,625	33,891	22,405	26,492
Federal emergency management assistance grant	119,240	53,404	106	-	-	-	-	-	-	4,635
COPS grant – Federal	-	18,667	72,668	94,166	87,949	156,467	198,472	228,075	197,499	7,912
COPS grant – Parkway	-	4,763	28,555	41,593	49,838	77,206	85,705	70,609	78,701	161,192
Police academy grant	-	45,118	47,697	46,221	51,027	55,388	60,244	63,808	59,580	59,200
Federal aid urban grant	87,403	14,618	-	-	-	-	21,391	142,478	-	-
St. Louis County Bonhomme Creek reimbursement	140,485	6,038	-	8,503	45,492	33,187	-	-	-	-
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	4,995	7,561	-	-	-
NCAP Grant	-	-	14,381	36,624	31,712	40,700	20,143	-	-	-
Branch Out Missouri	-	-	-	24,562	-	6,503	13,024	9,336	-	-
Mall Grant/Dare Grant	-	-	-	-	-	-	10,000	20,000	5,000	5,000
Police Forfeitures	-	-	-	-	-	-	23,060	5,319	23,727	42,026
Municipal Park Commissioner	-	-	-	-	-	-	-	-	-	138,649
Highway 340 Enhancement	-	-	-	-	-	-	-	-	-	1,633,209
Grants, other	-	76,164	53,402	37,751	30,099	3,813	993	60,837	(2,313)	53,000
<b>Total</b>	<b>\$ 2,951,080</b>	<b>2,962,059</b>	<b>3,408,192</b>	<b>3,337,035</b>	<b>3,187,651</b>	<b>3,380,950</b>	<b>3,586,183</b>	<b>3,872,511</b>	<b>3,717,677</b>	<b>5,454,920</b>

Source: Basic/general purpose financial statements.

Table 7

**CITY OF CHESTERFIELD, MISSOURI**  
**Licenses and Permits**  
**Last Ten Fiscal Years**

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Business licenses	\$ 253,620	292,331	288,446	327,774	309,966	349,336	404,218	408,061	410,358	436,965
Liquor licenses	33,393	30,145	36,592	31,989	40,189	37,994	43,745	44,279	47,606	50,885
Vending licenses	21,409	23,775	19,488	19,075	22,858	19,684	22,306	24,419	25,188	23,188
Franchise fees (1)	219,183	236,429	251,427	273,874	322,038	347,502	425,803	527,579	556,212	584,198
Miscellaneous	20,165	14,497	15,939	10,412	10,274	14,704	18,379	17,396	13,632	20,035
Total	<u>\$ 547,770</u>	<u>597,177</u>	<u>611,892</u>	<u>663,124</u>	<u>705,325</u>	<u>769,220</u>	<u>914,451</u>	<u>1,021,734</u>	<u>1,052,996</u>	<u>1,115,271</u>

Notes:

(1) The City increased the license tax on cable television franchises from 3% to 5% on February 20, 1995.

Source: Basic/general purpose financial statements.

Table 8

**CITY OF CHESTERFIELD, MISSOURI**  
**Charges for Services**  
**Last Ten Fiscal Years**

	1994	1995	1996	1997	1998 (1)	1999	2000 (2)	2001	2002	2003
Engineering inspection fees	\$ 61,569	57,936	57,452	107,887	83,694	90,078	63,281	67,087	69,414	47,032
Subdivision processing fees	9,078	6,486	6,651	9,608	11,092	30,769	2,693	9,763	12,554	10,928
Zoning applications	15,313	18,882	12,874	11,363	10,842	19,477	15,895	12,680	11,549	8,004
Police reports	15,201	14,985	15,685	17,047	17,755	19,864	18,577	18,468	19,010	17,050
False alarms	28,450	42,528	33,444	38,600	38,000	41,250	42,850	39,700	46,200	46,874
Pool passes and concessions	-	-	-	-	150,180	160,320	167,235	230,609	244,026	177,411
CVAC rentals and concessions	-	-	-	-	-	-	99,471	83,405	135,529	177,695
Other charges	5,392	12,834	16,402	24,525	73,031	27,375	77,714	38,246	51,196	72,295
Total	\$ <u>135,003</u>	<u>153,651</u>	<u>142,508</u>	<u>209,030</u>	<u>384,594</u>	<u>389,133</u>	<u>487,716</u>	<u>499,958</u>	<u>589,478</u>	<u>557,289</u>

## Notes:

(1) The City opened its Central Park Pool in 1998.

(2) The City opened its Chesterfield Valley Athletic Complex (CVAC) in 2000.

Source: Basic/general purpose financial statements.

Table 9

**CITY OF CHESTERFIELD, MISSOURI**  
**Assessed and Estimated Actual Value of Taxable Property (1)(2)(3)**  
**Last Ten Fiscal Years**

	Real Property	Personal Property	Railroad and Utilities	Totals	
				Assessed Value	Estimated Actual Value
1994 (4)	\$ 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
1999	839,087,390	193,552,326	14,430,676	1,047,070,392	4,613,115,168
2000	896,862,030	225,781,266	15,328,434	1,137,971,730	4,938,358,639
2001	1,023,122,130	235,079,429	17,702,083	1,275,903,642	5,554,533,322
2002	1,047,229,350	242,742,813	18,848,635	1,308,820,798	5,697,834,859
2003	1,112,091,390	232,850,793	14,349,788	1,359,291,971	5,967,969,998

- Notes: (1) Assessments are determined by the Assessor of St. Louis County 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 1/3%. 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) Value decreased due to 1993 flood in Chesterfield Valley.

Source: St. Louis County Collector.

Table 10

**CITY OF CHESTERFIELD, MISSOURI**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(Per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Taxes levied on all property in the City:										
City of Chesterfield (1)	\$ -	.130	.130	.130	.130	.130	.100	.060	.060	.060
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	.630	.620	.630	.620	.640	.620	.623	.835	.849	.864
St. Louis Community College	.240	.240	.240	.240	.240	.240	.240	.230	.232	.231
St. Louis County Library	.130	.140	.140	.140	.140	.140	.140	.140	.140	.140
Metropolitan St. Louis Sewer District	.020	.020	.020	.020	.020	.020	.020	.019	.019	.019
Metropolitan Zoological Park and Museum District	.224	.228	.232	.232	.232	.227	.232	.222	.222	.226
Sheltered Workshop	.085	.085	.085	.085	.085	.085	.085	.085	.085	.085
Total	<u>\$ 1.939</u>	<u>2.073</u>	<u>2.087</u>	<u>2.077</u>	<u>2.097</u>	<u>2.072</u>	<u>2.050</u>	<u>2.201</u>	<u>2.217</u>	<u>2.235</u>
School districts (2):										
Parkway	3.44	3.44	3.76	3.64	3.66	3.59	3.603	3.455	3.511	3.552
Rockwood	4.53	4.54	4.54	4.49	4.52	4.48	4.525	4.421	4.439	4.541
Fire protection districts (3):										
Metro West	.95	1.03	1.04	1.03	1.03	1.03	1.021	.972	.997	1.128
Chesterfield	.92	1.06	1.00	1.03	1.04	1.02	1.019	.995	.979	1.115

## 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.

Table 11

**CITY OF CHESTERFIELD, MISSOURI**  
**Property Tax Levies and Collection**  
**Last Nine Fiscal Years**  
**(dollars in thousands)**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
1995	\$ 1,402	\$ 1,326	94.6 %	\$ -	\$ 1,326	94.6 %	\$ 76	5.4 %
1996	1,585	1,498	94.5	63	1,561	98.5	100	6.3
1997	1,891	1,769	93.5	79	1,848	97.7	143	7.6
1998	2,187	1,937	88.6	141	2,078	95.0	252	11.5
1999	3,302	2,806	85.0	144	2,950	89.3	604	18.3
2000	5,425	4,925	90.8	380	5,305	97.8	724	13.3
2001	7,069	6,451	91.2	152	6,603	93.4	1,190	16.8
2002	7,257	6,556	90.3	(3)	6,553	90.3	1,894	26.1
2003	8,169	7,740	94.7	613	8,352	102.2	1,711	20.9

Note:

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

Table 12

**CITY OF CHESTERFIELD, MISSOURI**  
**Legal Debt Margin**  
**December 31, 2003**

Assessed value of the City for 2003	\$ <u>1,359,291,971</u>
Limit of bonded indebtedness at 10% of assessed value	\$ <u>135,929,197</u>
Total bonded debt	31,365,000
Less amount available in debt service fund for bonded debt	<u>(1,415,993)</u>
Bonded debt applicable to debt limit	<u>29,949,007</u>
Legal debt margin	\$ <u>105,980,190</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.



Table 13

**CITY OF CHESTERFIELD, MISSOURI**  
**Ratio of Annual Debt Service Expenditures for General Bonded Debt to**  
**Total General Governmental Expenditures**  
**Last Nine Fiscal Years (1)**

<u>Fiscal 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	\$ -	\$ 346,923	\$ 346,923	\$ 13,455,367	2.6 %
1996	265,000	683,037	948,037	19,539,344	4.9
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	30,674,462	9.1
1999 (4)	1,845,000	1,117,876	2,962,876	51,501,538	5.8
2000	935,000	1,953,350	2,888,350	32,298,958	8.9
2001	1,295,000	1,680,333	2,975,333	48,766,447	6.1
2002	1,370,000	1,608,231	2,978,231	39,722,981	7.5
2003	1,440,000	1,538,273	2,978,273	35,374,827	8.4

## Notes:

- (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.
- (4) The City issued \$15,125,000 in additional general bonded indebtedness in 1999.

Source: Basic/general purpose financial statements.

Table 14

**CITY OF CHESTERFIELD, MISSOURI**  
**Ratio of Net General Bonded Debt to Assessed Value**  
**and Net Bonded Debt Per Capita**  
**Last Nine Fiscal Years (1)**

<b>Fiscal Year</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Bonded Debt</b>	<b>Amount Available in Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
1995 (2)	42,325	\$ 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
1999 (5)	42,325	1,047,070,392	36,405,000	1,472,911	34,932,089	3.3	825
2000	42,325	1,137,971,730	35,470,000	1,766,376	33,703,624	3.0	796
2001 (6)	46,802	1,275,903,642	34,175,000	1,680,422	32,494,578	2.6	694
2002	46,802	1,308,820,798	32,805,000	1,570,180	31,234,820	2.4	667
2003	46,802	1,359,291,971	31,365,000	1,415,993	29,949,007	2.2	640

- Notes:
- (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.
  - (5) The City issued \$15,125,000 in additional general bonded indebtedness in 1999.
  - (6) The City's population, reported by the Bureau of the Census in 2001, was 46,802.

Table 15

**CITY OF CHESTERFIELD, MISSOURI**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2003**

	<u>General Obligation Debt</u>	<u>Percent Applicable to the City</u>	<u>Amount Applicable to the City</u>
City of Chesterfield	\$ 31,365,000	100.00 %	31,365,000
St. Louis County	116,545,000	3.72	4,330,539
Parkway School District (1)	71,395,381	2.28	1,625,156
Rockwood School District (1)	161,148,600	5.14	8,279,570
Chesterfield Fire Protection District (1)	1,800,000	0.06	1,033
Metro-West Fire Protection District	7,293,900	0.23	16,962
Metropolitan Sewer District	-	-	-
Total overlapping	<u>358,182,881</u>		<u>14,253,260</u>
Total	<u>\$ 389,547,881</u>		<u>\$ 45,618,260</u>
Total debt per capita (2)			<u>\$ 975</u>

Notes: (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 46,802.

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

Table 16

**CITY OF CHESTERFIELD, MISSOURI  
Building Permits and Construction (1)  
Last Ten Fiscal Years**

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
New construction:										
Number of permits	\$ 917	619	712	652	846	836	938	849	867	1,024
Value of construction	<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>	<u>74,393,000</u>	<u>79,935,275</u>	<u>95,917,550</u>	<u>56,191,759</u>	<u>81,213,436</u>
Alternations/additions:										
Number of permits	\$ 2,022	2,164	2,051	2,113	2,799	2,977	3,261	3,010	3,163	4,093
Value of construction	<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>	<u>83,798,766</u>	<u>48,696,005</u>	<u>71,845,736</u>	<u>42,768,958</u>	<u>62,524,504</u>
Building demolitions:										
Number of permits	\$ -	-	-	-	-	-	-	-	-	-

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.

Source: Planning Department, City of Chesterfield, Missouri.

**CITY OF CHESTERFIELD, MISSOURI**  
**Bank Deposits**  
**Last Ten Fiscal Years**

	<u>Amount (1)</u>
1994	\$ 608,355,913
1995	610,500,754
1996	638,068,841
1997	646,214,924
1998 (2)	744,181,172
1999 (3)	574,477,723
2000	634,474,529
2001 (4)	638,719,935
2002	641,717,121
2003 (5)	592,040,111

Notes: (1) Represents deposits of the 13 bank facilities located in the City.

(2) Roosevelt Bank and Mark Twain Parkway Banks were brought out by Mercantile Bank and the branch banks in Chesterfield were closed in 1998.

(3) Several banks were taken over by other banks in 2000. NationsBank was bought out by Bank of America, Mercantile Bank by Firststar, and Magna by Union Planters.

(4) Firststar became US Bank in January 2002.

(5) Founders Bank became Bank Midwest, N.A in 2003.

Source: Allegiant Bank, Bank of America, N.A. - Chesterfield Center, and Bank of America, N.A.- Baxter Branch, Bremen Bank and Trust, 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, N.A., U. S. Bank -Hilltown Village, Bank Midwest, N.A. Olive Street and Long Road, and Union Planters.

**CITY OF CHESTERFIELD, MISSOURI**  
**Schedule of Insurance in Force**  
**December 31, 2003**

Type of Coverage/ Insurance Carrier	Policy Number	Policy Period	Deductible	Liability Limits	Annual Premium
General liability	GL 0021-03	7/1/03-	\$ 500	\$ 2,000,000	\$ 114,248
Police liability	PL0021-03	7/1/04	2,500	-	-
Automobile liability/ St. Louis Area Insurance Trust (SLAIT)	AL 0021-03		500	-	-
Property/ Chubb Insurance Group	200104	7/1/03- 7/1/04	Prop 1,000 Auto 2,500	17,108,970 2,729,063	101,181 -
DIC-Excess earthquake liability Great American Insurance	IMP 1623605	7/1/03- 7/1/04	-	12,108,970	8,726
Public Officials/ CNA	POL 223642450	7/1/03- 7/1/04	25,000	1,000,000/ 1,000,000	25,338
Workers' Compensation/St. Louis Insurance Trust (SLAIT)	2002-04	7/1/03- 7/1/04	N/A	Statutory	217,862
Public Employees/Blanket Bond St. Paul Fire & Marine Ins.	406GC9727	9/9/03- 9/9/04	2,500	100,000	1,321
Flood Insurance Public Works (Building and Contents)/Travelers	6002791736	01/05/03- 01/05/04	500 / 500	500000/500,000	3,158
Flood Insurance – Travelers Concession stand # 1 (bldg/cts)	6004232408	05/30/03-04	500 / 500	250,000/34,000	2,150
Concession stand # 2 (bldg/cts)	6004232416	05/30/03-04	500 / 500	250,000/34,000	2,150
Maintenance Building (bldg/cts) 17925 N. Outer 40	6004232390	05/26/03-04	500 / 500	250,000/34,000	2,150
Fiduciary Bond/Travelers	051 FF 103003485	11/3/03- 11/3/04	-	1,000,000	1,980
Underground storage Tanks/MO UST	0009914	2/24/03- 2/24/04	10,000	1,000,000	200
Jeremy Craig Bond Capitol Indemnity	PO00908457	4/21/03- 4/21/04	-	100,000	203
Michael Lamber Notary/ Western Surety	14445757N	9/5/02- 9/4/06	-	10,000	50
Judith A. Naggiar Notary/ Reliance	U6252393	01/04/00- 01/4/04	-	10,000	50
Martha L. Demay Notary/ Western Surety	N54229080	05/12/01- 05/11/05	-	10,000	50
Dawn J. Kaiser Notary/ CNA	N54020405	06/17/00- 06/17/04	-	10,000	50
Kathryn M. Lone Notary/ Reliance	U6252599-04	02/28/00- 02/28/04	-	10,000	50
Kathy Jackson Notary/ Western Surety	14518247NOO	09/09/03- 09/08/07	-	10,000	50

Source: City's insurance policies.

Table 19

**CITY OF CHESTERFIELD, MISSOURI**  
**Salaries and Surety Bonds of Principal Officials**  
**December 31, 2003**

<u>Name and Title of Official</u>	<u>Annual Salary</u>	<u>Amount Surety Bond</u>
Michael G. Herring, City Administrator	\$ 112,790	(1)
Jeremy Craig, Director of Finance and Administration	72,500	\$ 100,000
Marty DeMay, City Clerk	56,793	(1)
Ray Johnson, Police Chief	95,999	(1)
Teresa Price, Director of Planning	82,179	(1)
Mike Geisel, Director of Public Works/City Engineer	94,972	(1)

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

**CITY OF CHESTERFIELD, MISSOURI**  
**Miscellaneous Statistical Data**  
**December 31, 2003**

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			95
Commissioned officers			85
Other full-time employees			10
Police station			1
Total employees, full-time			207
Fire protection:			
The City's coverage is provided by two districts:			
Metro West Protection District			
Monarch Fire Protection District			
The City is served by the Parkway and Rockwood School Districts.			
The City's electric is supplied by AmerenUE; natural gas is supplied by Laclede Gas; water is supplied by American 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 is the Daniel Boone, the Thornhill and Samuel Sachs branches of the St. Louis County Library System.			
Population (2):	1988		34,486
	1990		37,990
	1991		42,325
	2000		46,802
Number of households (2)	1988	Single family	9,105
		Multi-family	3,049
	1990	Single family	10,541
		Multi-family	3,246
	2000	Single family	13,960
		Multi-family	4,836
Per capita income:			
Median family income	1986		\$ 61,800
	2000		102,987
Per capita family income	1979		\$ 12,686
	1987		21,912
	2000		43,288
Number of registered voters	2003		32,283



**CITY OF CHESTERFIELD, MISSOURI  
Miscellaneous Statistical Data (Continued)  
December 31, 2003**

Principal taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed</u>	<u>Percentage of Total Assessed Valuation</u>
Pfizer	Research/development	\$ 33,934,860	2.5%
THF Chesterfield	Developer	23,662,790	1.7%
WEA Chesterfield LLC	Chesterfield Mall	17,228,770	1.3%
FSP Timberlake Corp.	Real estate venture	14,561,140	1.1%
Ameren UE	Private utility company	11,095,874	0.8%
St. Lukes Episcopalian Presbyterian Hospital	Hospital	7,472,000	0.5%
Realty Associates	Real estate venture	7,248,060	0.5%
Baxter Crossing LLC	Apartment project	6,922,650	0.5%
Chesterfield Ridge Center	Real estate venture	5,712,000	0.4%
Missouri American Water	Private utility company	4,336,270	0.3%
		<u>\$ 132,174,414</u>	<u>9.6%</u>

Major employers within the City:

<u>Company</u>	<u>Type of Business</u>
Pfizer	Research Company
Premium Retail Services, Inc.	Retails Merchandising
McBride & Son Managements Co.	Homebuilder/Developer/Contractor
Taylor-Morley, Inc.	Homebuilder/Developer/Contractor
Famous- Barr	Department Store
Doubletree Hotel & Conference Ctr.	Hotel
Rose International	Research and Software Development
Mark Andy Inc.	Printing Press Manufacturer
Dillard's	Department Store
West County YMCA	Non-profit Organization

Utility Customers:

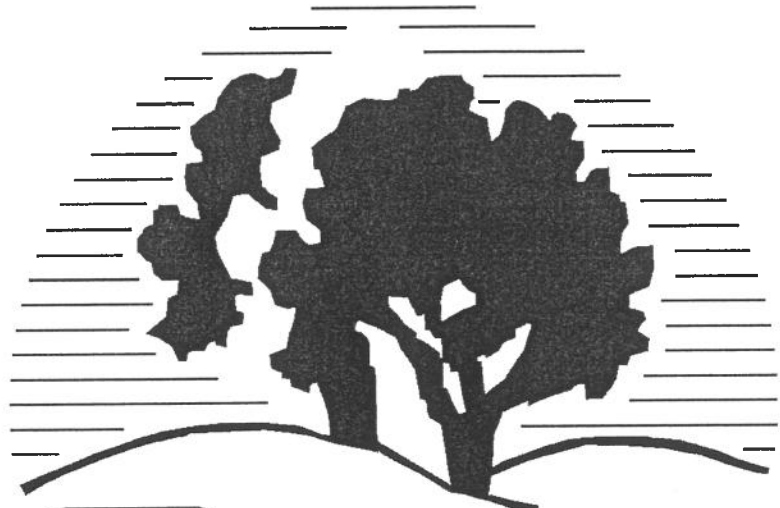
<u>Year</u>	<u>Electric Meters(A)</u>	<u>Gas Meters (B)</u>	<u>Water Meters (C)</u>	<u>Telephones (D)</u>
1994	19,048	14,328	12,672	19,855
1995	19,076	14,450	12,789	21,263
1996	19,274	14,608	13,031	23,277
1997	19,789	15,231	13,330	23,564
1998	19,860	15,502	13,317	35,500
1999	20,602	15,770	13,981	38,559
2000	21,144	16,130	14,075	35,638
2001	21,024	16,412	14,318	34,289
2002	21,414	16,617	14,425	33,955
2003	21,646	16,881	14,500	27,848

Source: (A) Ameren UE  
(B) Laclede Gas Company  
(C) American Water Company  
(D) Southwestern Bell Telephone Company

Notes: (1) The City currently provides street lights at selected intersections within the City. Streetlights 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.

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, St. Luke's Hospital, Rockwood and Parkway School Districts.



**E** City of  
Chesterfield