

**CITY OF CHESTERFIELD, MISSOURI**

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2007

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Report prepared and submitted by the  
Finance and Administration Department

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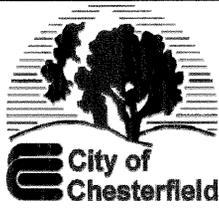
**CITY OF CHESTERFIELD, MISSOURI**

## Comprehensive Annual Financial Report

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## Introductory Section



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June 25, 2008

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 (CAFR) of the City of Chesterfield, Missouri (the City) for the fiscal year ended December 31, 2007. This year's CAFR is the sixth 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 purpose of these changes are addressed in the Management Discussion and Analysis (MD&A).

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 statements 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, 2007 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, 2007 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 MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

## **Profile of the City**

The City is 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 enjoys a balance of residential neighborhoods and concentrated retail centers including a regional shopping center and one of the largest retail power centers in the county known as Chesterfield Commons.

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 that time. 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. In 2005, the City created the Economic and Community Development Division (ECDD) to better position itself as a place to establish a business and raise a family.

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 developing 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 47 as required supplementary information. For governmental funds, other than the General Fund, with appropriated annual budgets, comparisons for major Special Revenue Funds are found in required supplementary information which begins on page 50 and comparisons for the budgeted nonmajor Special Revenue, Capital Project, and Debt Service Funds are found in other supplementary information which begins on page 55.

## **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 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/Hwy-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 Westfield Chesterfield Mall, 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 three anchor stores (Dillard's, Macy's and Sears), over ten franchised restaurants, and more than 145 boutiques, shops, stores, and services. In 2006, the Chesterfield Mall completed a \$71 million renovation which included a 14-screen AMC Megaplex Theater, new retailers, and new restaurants.

Making a dramatic comeback from the flood of 1993, the City's western corridor, referred to as Chesterfield Valley, has expanded significantly over the last several years with retail, light industrial, and office/warehouse facilities. 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, Lowe's Home Improvement Center, Sam's Club, Linens N' Things, Office Max, Michael's, Petsmart, Radio Shack, Best Buy, Red Robin, LongHorn Steakhouse, Subway, Hometown Buffet, Babies 'R Us, Red Lobster, St. Louis Bread Company, Olive Garden, O'Charley's, Chesterfield Galaxy 14 Cine, The Home Depot, and many others are located in Chesterfield Commons. The Monarch-Chesterfield Levee, which protects Chesterfield Valley, has been restored to its original 100-year level of protection. Assisted by the tax increment financing ("TIF") district designation, 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. In addition, the City, using Economic Development Act ("*EDA*") grant funds, installed pumps in Chesterfield Valley to dramatically improve interior drainage.

Based on current projections, continued development of the entire City is inevitable, with over 1,300 acres still available within the City's core and Chesterfield Valley. The City's assessed valuation of \$1,595,794,587 as of January 1, 2007 represents an increase of 2.5% from \$1,553,254,268 as of January 1, 2006, and an increase of 242% from \$465,549,049 as of January 1, 1988, 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 dollars will be available from the ½-cent sales tax to fund continued major street and sidewalk improvements well into the future.

The City continues to explore options based on a residents' survey concerning park improvements. Some recommendations from the study included exploring opportunities to partner with St. Louis County, Missouri and private providers of recreational services to acquire open space in the City, and provide walking paths and an outdoor amphitheatre and lake in the Central Park. In response to these efforts, voters passed a ½-cent sales tax for parks that took effect in April 2005. During 2006 and 2007, the City worked on purchasing park land and constructing amenities with the resources from this sales tax.

In November 2005, voters in Chesterfield Valley approved the creation of a Transportation Development District (TDD) which levies an additional ⅜-cent sales tax in that area. The sales tax took effect in March 2006. In November 2006, the TDD issued \$22,450,000 bonds with the average rate from 3.75% to 4.125%. The TDD will fund over \$25 million in significant transportation-related improvement projects including: realignment and creation of a single signalized intersection at Wild Horse Creek, Long and Kehrs Mill Roads;

widening of Long Road from Chesterfield Airport Road to Wild Horse Creek Road; roadway construction on Chesterfield Airport Road at Spirit of St. Louis Boulevard; levee trail; Long Road overpass; Wild Horse Creek re-alignment; and area improvements at Olive and Chesterfield Airport Roads.

**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 one year, with an average maturity of 12 months. The average yield on investments was 5.2% 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 is a member of a public entity risk pool (St. Louis Area Insurance Trust - SLAIT) comprised of various municipalities in St. Louis County, Missouri. This pool covers workers' compensation and liability exposures. 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 six debt issues outstanding. These issues include \$5,855,000 in general obligation bonds for parks, \$1,515,000 in certificates of participation related to the City's capital lease obligation for the construction of a Public Works Facility, \$11,375,000 in general obligation bonds for streets and sidewalks, \$14,950,000 in certificates of participation related to the City's capital lease obligation for the City Hall, \$17,760,000 in a 2005 crossover refunding bond for streets and sidewalks, and \$24,775,000 in certificates of participation for Parks from 2005. 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 Tax Increment Financing Refunding and Improvement Revenue Bonds issued in April 2002. The outstanding amounts of these notes were \$5,574,192.

**Retirement Plan.** The City sponsors a single-employer defined contribution retirement 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 are fully vested (100%) after five years of service. The City's normal contribution for 2007 was \$735,675 or approximately 8% of covered payroll. However, in 2007, the City Council decided to provide all eligible employees with an additional 1% of their payroll. Total covered payroll for the year was \$9,235,895 or 86% of the City's total payroll of \$10,764,051.

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 Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the City for its CAFR issued for the fiscal year ended December 31, 2006. This was the eighteenth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP 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

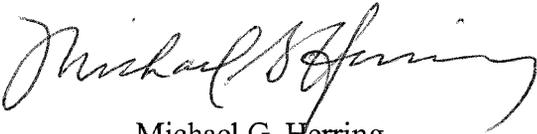
we are submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2007. This was the seventeenth 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.

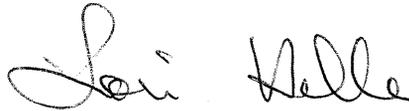
The preparation of this report would not have been completed without the efficient and dedicated services of the entire administrative staff of the various departments of the City. We would like to especially acknowledge the dedicated services and assistance of the staff members in the Finance and Administration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

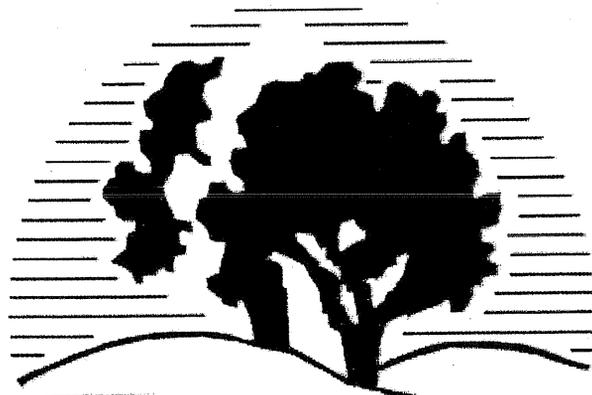
Respectfully submitted,



Michael G. Herring  
City Administrator



Lori A. Helle  
Director of Finance & Administration



**E** City of  
Chesterfield

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Chesterfield, MO 63017  
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# 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, 2006

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.



*Oliver S. Cox*

President

*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:**

Bruce Geiger

Lee Erickson

**Ward 3:**

Daniel Hurt

Mike Casey

**Ward 4:**

Connie Fults

Robert Nation

**CITY ADMINISTRATOR**

Michael G. Herring

**DIRECTOR OF FINANCE AND  
ADMINISTRATION**

Lori Helle

**CITY CLERK**

Judy Naggjar

**POLICE CHIEF**

Ray Johnson

**DIRECTOR OF PLANNING AND  
PUBLIC WORKS**

Michael O. Geisel

**ACTING DIRECTOR OF PARKS AND  
RECREATION**

Darren Dunkle

**CITY ATTORNEY**

Robert M. Heggie

**JUDGE**

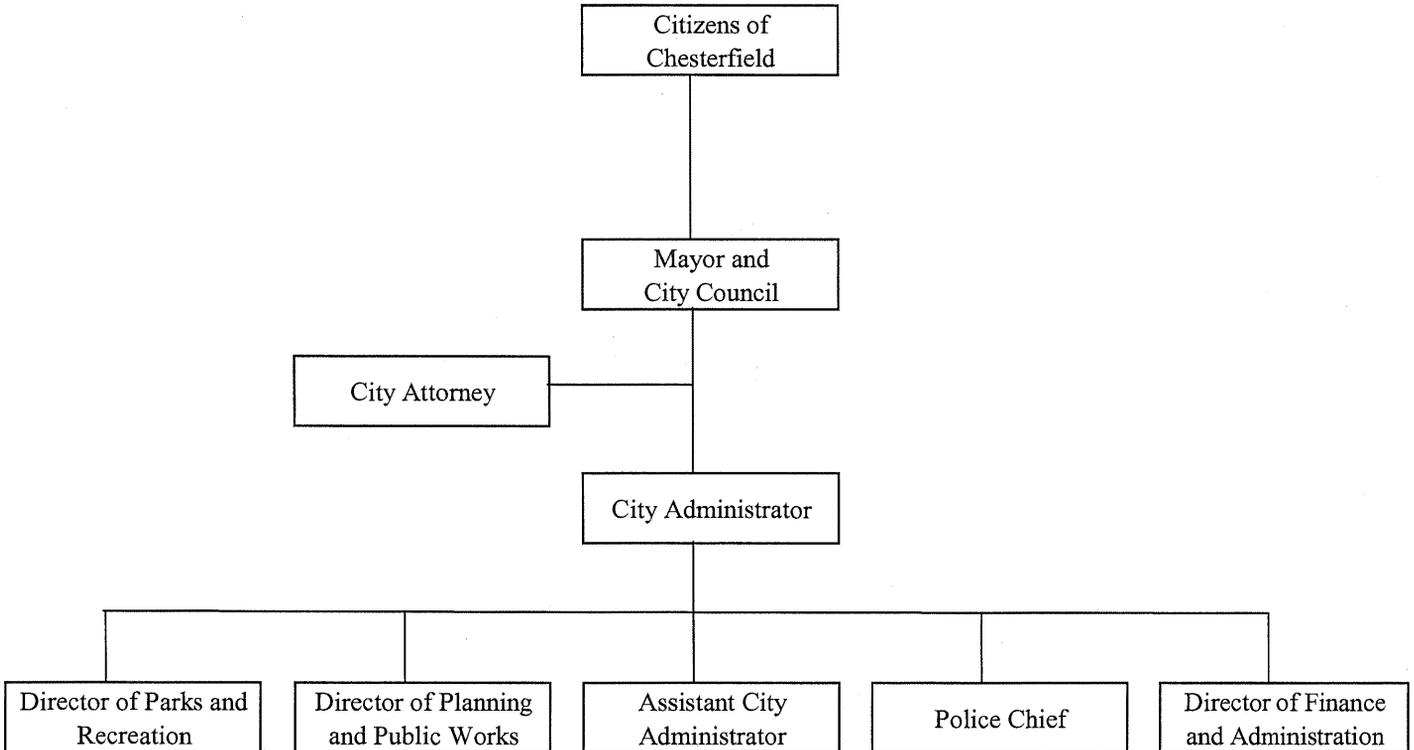
Richard K. Brunk

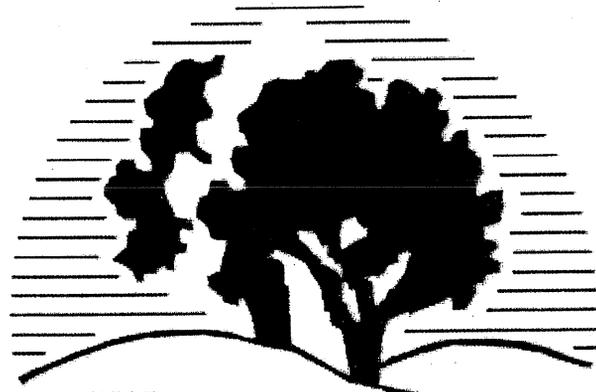
**PROSECUTING ATTORNEY**

Tim Engelmeyer

# City of Chesterfield, Missouri

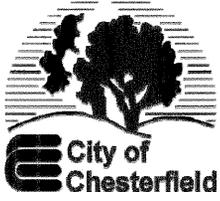
Organizational Chart  
2007





**E** City of  
Chesterfield

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Chesterfield, MO 63017  
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## Financial Section



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

## INDEPENDENT AUDITORS' REPORT

June 25, 2008

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

We have audited the accompanying financial statements of the governmental activities, 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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of December 31, 2007, 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 our report dated June 25, 2008, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

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- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and required supplemental 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 of the City. Such 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 opinions thereon.

Hochschild, 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, 2007**

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, 2007. 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.

**Financial Highlights**

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$147,133,233. The City has unrestricted net assets totaling \$8,448,252.
- General revenues for governmental activities were \$33,818,644 which included \$29,136,756 (86.2%) in sales, gross receipts, and sewer lateral taxes. Property taxes accounted for \$1,102,310 (3.3%) of general revenues.
- Net expense from the various functions of governmental activities was \$20,455,559. General government was \$2,344,906 (11.0%), public works was \$4,722,472 (23.1%), public safety was \$6,892,003 (33.7%), planning was \$604,668 (3.0%), and community development was \$493,543 (2.4%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$61,473,256, a decrease of \$21,344,738 in comparison with the prior year. Approximately 22.7% of this total amount or \$13,970,855 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 \$14,176,375 (82%) of total General Fund expenditures.
- The City's total debt decreased by \$27,547,419 (25.2%) during the current fiscal year due to normal payments, advanced pay-off of tax increment financing bonds, and the scheduled payment of cross over refunding bonds.

**Overview of the Financial Statements**

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

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

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2007**

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 can be found on pages 24 and 25 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 funds financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances 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 funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Chesterfield Valley Tax Increment Financing Fund, Parks Sales Tax Fund, Capital Improvement Sales Tax Trust Fund, Parks Construction Fund, TIF Bond Debt Service Fund, and the R & S Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these 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, Chesterfield Valley Tax Increment Financing Special Revenue Fund, Capital Improvement Sales Tax Trust Special Revenue Fund, Parks Sales Tax Special Revenue Fund, TIF Bond Revenue Special Revenue Fund, TIF Bond Debt Service Fund, Parks 1998 Debt Service Fund, Public Works Facility 1995

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2007**

and 2002 Debt Service Fund, R & S 1997 and 1999 Debt Service Fund, City Hall Debt Service Fund, Parks 2005 Debt Service Fund, Capital Project Fund, and Parks Construction Capital Projects Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental funds financial statements can be found on pages 26 through 29 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 30 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 31 through 46 of this report.

### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found on pages 47 through 54 of this report.

### **Other Supplementary Information**

The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 55 through 71 of this report.

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

The City presents its financial statements under the 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, the net assets of \$147,133,233 increased in 2007 by approximately 10% as compared to the previous year.

At the end of 2007, the City had positive balances in all three categories of net assets.

The largest portion of the City's net assets, \$115,267,934 in 2007 (an increase of approximately 5.7% from 2006), reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) 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**  
**December 31, 2007**

		<b>Governmental Activities</b>	
		<b>December 31</b>	
		<b>2007</b>	<b>2006</b>
<b>Assets</b>			
Current and other assets	\$	65,209,402	87,786,089
Capital assets, not depreciated		96,454,624	94,499,253
Capital assets, net		73,006,715	66,749,038
Total assets		234,670,741	249,034,380
<b>Liabilities</b>			
Long-term liabilities		83,740,863	111,255,783
Other liabilities		3,796,645	4,008,449
Total liabilities		87,537,508	115,264,232
<b>Net Assets</b>			
Invested in capital assets, net of related debt		115,267,934	109,037,358
Restricted		23,417,047	34,529,805
Unrestricted		8,448,252	(9,797,015)
Total net assets	\$	147,133,233	133,770,148

An additional portion of the City's net assets, \$23,417,047 in 2007, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

The remaining category of the City's net assets represents an *unrestricted net assets* balance of \$8,448,252 in 2007 which may be used to meet the City's ongoing obligations to citizens and creditors.

**Governmental Activities**

Governmental activities increased the City's net assets by \$13,363,085. Key elements of this are as follows:

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		<b>Governmental Activities</b>	
		<b>For the years</b>	
		<b>ended December 31</b>	
		<b>2007</b>	<b>2006</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$	2,869,676	2,689,749
Operating grants and contributions		4,614,543	4,036,605
Capital grants and contributions		2,374,841	417,894
General revenues:			
Taxes		30,239,066	42,458,019
Investment income		3,098,984	3,211,400
Miscellaneous		480,594	229,843
Total revenues		43,677,704	53,043,510
<b>Expenses</b>			
General government		3,012,569	2,828,371
Parks and recreation		3,631,874	3,279,634
Judicial		189,701	182,869
Planning		642,805	646,653
Public works		10,246,596	14,847,845
Public safety		7,405,868	7,099,546
Community development		493,543	153,130
Interest and fiscal charges		4,691,663	5,172,635
Total expenses		30,314,619	34,210,683
Changes in net assets		13,363,085	18,832,827
Net assets - beginning of year		133,770,148	114,937,321
Net assets - end of year	\$	147,133,233	133,770,148

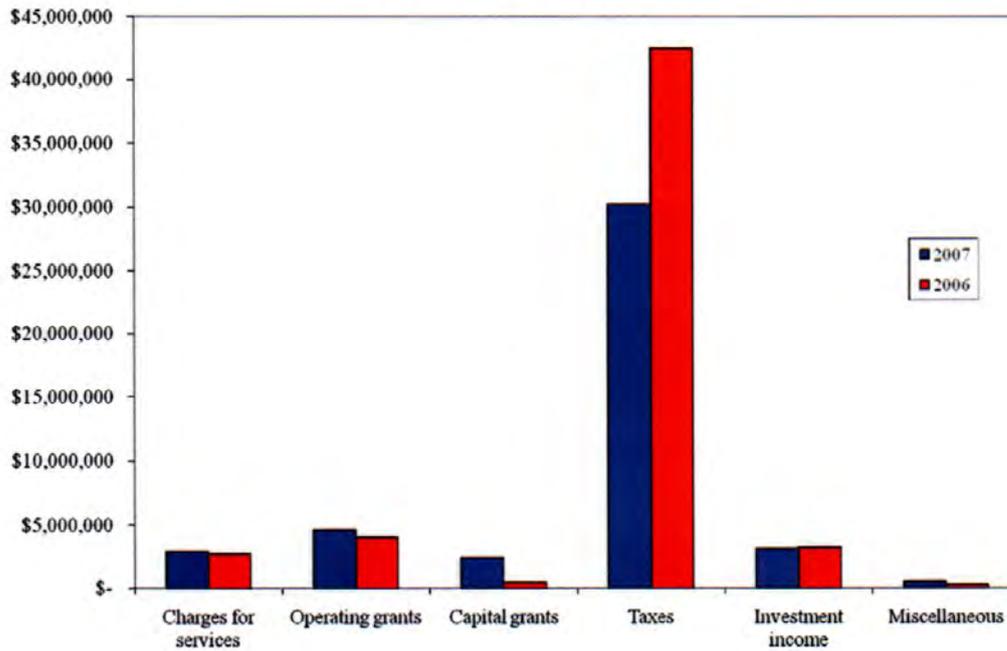
**Changes in Net Assets**

In 2007 the City's total revenues on a government-wide basis was \$43,677,704, a decrease of \$9,365,806 as compared to 2006. This decrease was primarily attributable to a decrease in property tax revenues of the Chesterfield Valley TIF District of \$14,459,682. This decrease was due to the advanced pay-off of tax increment financing bonds and the related closure of the tax increment financing district.

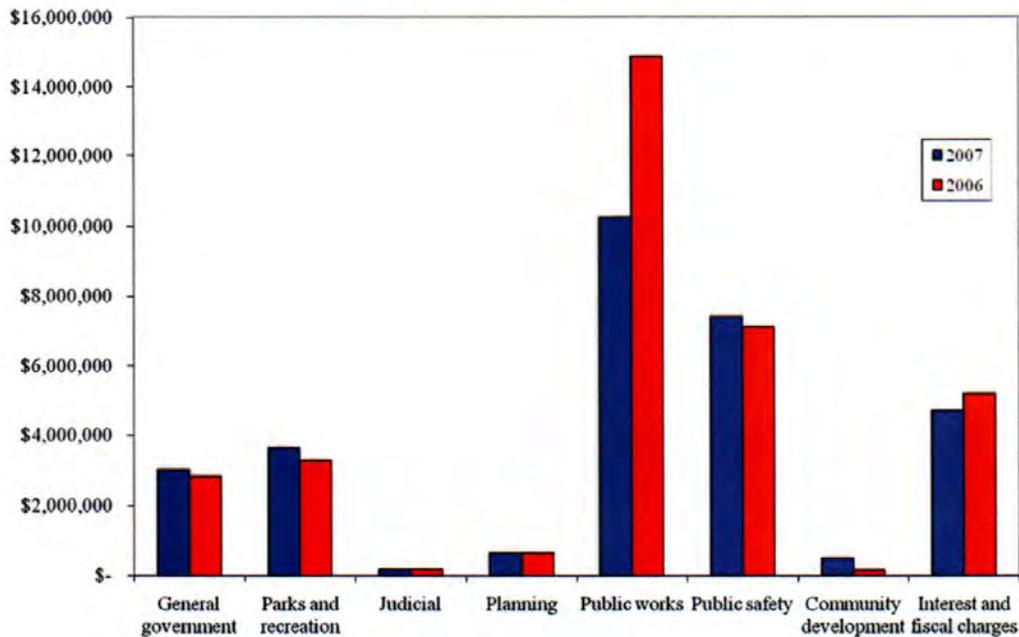
While the total revenues decreased \$9,365,806 (17.7%) from last year, total expenses also decreased by \$3,896,064 (11.4%) from last year. As a result, the change in net assets had a decrease of \$5,469,742 (29.0%).

**City of Chesterfield, Missouri  
Management's Discussion and Analysis  
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**City of Chesterfield, Missouri  
Revenues by Source Comparison**

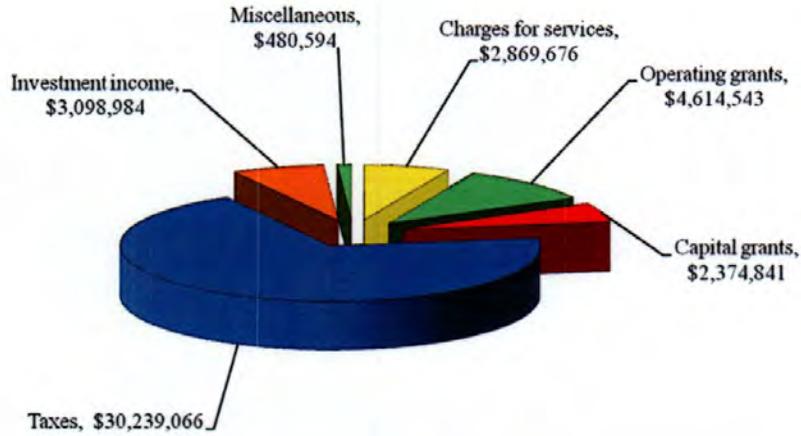


**City of Chesterfield, Missouri  
Expenses by Function Comparison**

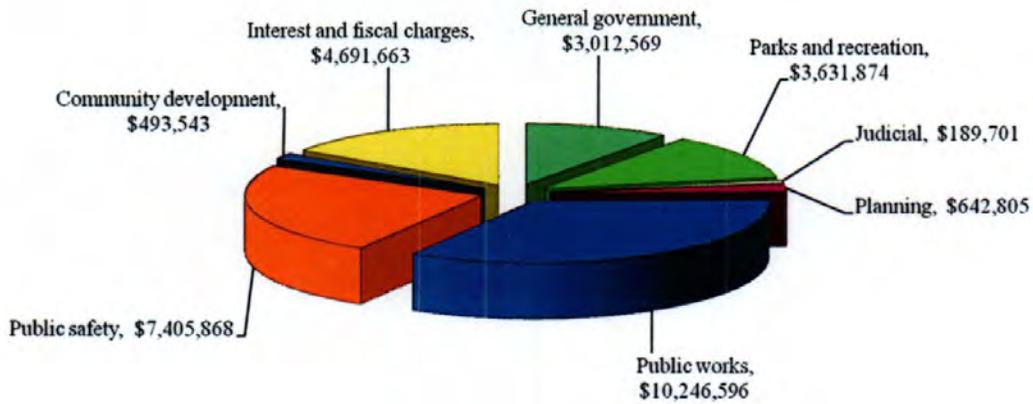


**City of Chesterfield, Missouri  
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**City of Chesterfield, Missouri  
Revenues by Source for Fiscal Year 2007**



**City of Chesterfield, Missouri  
Expenses by Function for Fiscal Year 2007**



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

*General Fund*

At the end of year 2007, the unreserved fund balance of the General Fund was \$14,176,375, while the total fund balance was \$14,485,977. 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 76.6% of total General Fund expenditures and transfers out of \$18,514,110, while total fund balance represents 78.2% of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund increased by \$1,734,423 (13.6%) from the prior year fund balance. The change of the current year's fund balance is mainly due to:

- Miscellaneous revenue increased by \$242,059 due mainly to monies received from FEMA for storm damage.
- Licenses and permits revenue increased \$630,126 mainly due to the Verizon wireless settlement of approximately \$400,000. Additionally, more wireless companies remitted their utility tax.
- County road and bridge tax increased by \$139,761 due to an increase in assessed valuation.
- Expenditures were down by \$945,822. Of this amount, personnel expenditures were down approximately \$425,000 due to vacant positions; public work's street and sewer maintenance capital expenditures were down by approximately \$150,000; public work's street and sewer maintenance commodities were down approximately \$167,000.

*Other Major Governmental Funds*

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

- Chesterfield Valley Tax Increment Financing Fund decreased by \$10,738,912 (76.1%) from the previous fund balance. This decrease reflects the advanced pay-off of the tax increment financing bonds. Additionally, the tax increment financing district seized collection of property tax in October 2007. At December 31, 2007, the total unreserved fund balance was \$3,367,631.
- Parks Sales Tax Fund ended 2007 with unreserved fund balance of \$4,356,609. This ½ cent sales tax generated total revenue of \$5,179,120 in 2007.
- Capital Improvement Sales Tax Trust Fund ended the year with unreserved fund balance of \$843,340. The increase of \$87,410 was primarily due to increased revenues.

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2007**

- Parks Construction Fund decreased by \$3,331,890 (19.4%). This decrease was mainly due to continued park improvements financed by the proceeds of the certificates of participation issued in January 2005. As of December 31, 2007, the unreserved fund balance was \$13,886,084.
- TIF Bond Debt Service Fund ended the year 2007 with an unreserved fund balance of \$7,671,915 or a decrease of \$1,360,882 (15.1%) due to decreased transfers in of revenues generated in the TIF district.
- R & S Debt Service Fund ended the year 2007 with an unreserved fund balance of \$10,190,346. The decrease of \$7,669,547 resulted from the payment of outstanding principal of the R & S general obligation bonds Series 1997.

**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 2007, cash and cash equivalents had increased \$546,988 (to \$2,882,171) from 2006 due to normal activity.

**General Fund Budgetary Highlights**

Final results for any given year will generally differ from that year's adopted budget. The final revised budget of the City's General Fund for 2007 was \$18,231,243, which differs from the original adopted budget of \$17,437,582 by \$793,661. These supplemental appropriations are summarized as follows:

- \$250,000 increase to fund the purchase and implementation of new software for finance, licenses, and community development
- \$40,000 increase for surveillance equipment which was offset by a grant of \$29,000
- \$372,000 increase in street and sewer maintenance to offset storm costs

After transfers, the General Fund ended the year with an operating surplus of \$1,734,423. This surplus was \$2,185,647 more than the estimated amount of (\$451,224) from the final revised budget as a result of higher than anticipated revenues and management of budgetary expenditures. Although the only negative variance for revenues was municipal taxes, it represents almost 56% of total revenue. The remaining revenue categories all had positive variances. As a result, total revenues were \$1,028,884 more than the estimated amount of \$18,962,034.

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2007**

**Capital Assets**

The City has invested \$169,461,339 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 \$8,213,048. In 2007, the City added:

		<b>Capital Assets, Net of Depreciation</b>	
		<b>December 31</b>	
		<b>2007</b>	<b>2006</b>
Land	\$	20,013,934	18,214,751
Right-of-way		74,662,520	73,661,483
Buildings and other improvements		26,473,537	22,077,278
Machinery and equipment		2,158,570	2,168,229
Automobiles and trucks		1,826,510	1,692,734
Infrastructure (including construction-in-progress)		44,326,268	43,433,816
Total	\$	169,461,339	161,248,291

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

**Long-Term Debt**

At the end of December 2007, the City had outstanding long-term debt obligations for governmental activities in the amount of \$81,804,192 compared to \$109,351,611 in 2006. Of this amount, \$34,990,000 is general obligation bonds and \$5,574,192 is tax increment financing notes payable. Capital lease obligations outstanding totaled \$41,240,000. The 25.2% or \$27,547,419 decrease in the City's long-term debt obligations is primarily due to the City redeeming \$16,650,000 TIF Refunding and Improvement Bonds Series 2002 and the General Obligation Bonds (R & S) Series 1997. Additionally, the City did not issue or refund any debts during 2007.

The City's governmental activities debt is detailed below:

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2007**

	<u>Outstanding Long-term Debt Obligations</u>		
	<u>December 31</u>		<u>Percent</u>
	<u>2007</u>	<u>2006</u>	
Certificate of Participation Series 2002	\$ 1,515,000	1,680,000	(9.8%)
Certificate of Participation (Government Center) Series 2004	14,950,000	15,270,000	(2.1)
Certificate of Participation (Park) Series 2005	24,775,000	25,270,000	(2.0)
General Obligation Bonds (R & S) Series 1997	-	8,200,000	(100.0)
General Obligation Bonds (R & S) Series 1999	11,375,000	11,955,000	(4.9)
General Obligation Bonds (R & S) Series 2005	17,760,000	17,760,000	-
General Obligation Bonds (Park) Series 1998	5,855,000	6,435,000	(9.0)
Levee District Note (Phase III)	5,574,192	6,131,611	(9.1)
TIF Refunding and Improvement Bonds	-	16,650,000	(100.0)
Total	<u>\$ 81,804,192</u>	<u>109,351,611</u>	(25.2%)

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's authorized debt limit for fiscal year 2007 was \$189,328,500.

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

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

- The fiscal year 2008 annual budget for the General Fund is \$18,461,020, an increase of \$229,777 (1.3%) from the 2007 amended budget.
- Capital Improvement Fund operating transfers out budget for 2008 is \$6,536,594. An increase of \$1,664,720 from the 2007 budget.
- Park Sales Tax Fund revenues in 2008 is expected to exceed the 2007 budgeted amount by approximately \$1.5 million due to the closure of the TIF in 2007
- The Chesterfield Valley TIF was brought to a close, as of December 31, 2007, fully ten (10) years ahead of schedule.

**Requests for Information**

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

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*690 Chesterfield Parkway West  
Chesterfield, MO 63017  
[www.chesterfield.mo.us](http://www.chesterfield.mo.us)*

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## **Basic Financial Statements**

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**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Net Assets**  
**December 31, 2007**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 46,928,061
Cash refunding escrow	10,183,884
Receivables, net	6,918,041
Deferred charges	869,814
Other assets	309,602
Capital assets not being depreciated	96,454,624
Capital assets, net of accumulated depreciation	73,006,715
Total assets	234,670,741
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	653,815
Accrued salaries and other benefits	259,015
Accrued interest payable	1,195,355
Unearned revenue	1,656,121
Other liabilities	32,339
Long-term liabilities:	
Due within one year	8,607,140
Due in more than one year	75,133,723
Total liabilities	87,537,508
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	115,267,934
Restricted:	
Debt service	2,459,626
Capital project	843,340
Parks improvement project	4,356,609
Tax increment financing projects	14,858,325
Sewer lateral repair project	899,147
Unrestricted	8,448,252
Total net assets	\$ 147,133,233

**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Activities**  
**For the year ended December 31, 2007**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses) and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary Government</b>					
Governmental activities:					
General government	\$ 3,012,569	667,663	-	-	(2,344,906)
Parks and recreation	3,631,874	1,012,857	32,107	1,072,874	(1,514,036)
Judicial	189,701	997,433	-	-	807,732
Planning	642,805	38,137	-	-	(604,668)
Public works	10,246,596	106,480	4,115,677	1,301,967	(4,722,472)
Public safety	7,405,868	47,106	466,759	-	(6,892,003)
Community development	493,543	-	-	-	(493,543)
Interest and fiscal charges	4,691,663	-	-	-	(4,691,663)
Total governmental activities	<u>\$ 30,314,619</u>	<u>2,869,676</u>	<u>4,614,543</u>	<u>2,374,841</u>	<u>(20,455,559)</u>
General revenues:					
Taxes:					
Property taxes, levied for debt service					1,102,310
Sales and local use taxes					22,281,097
Gross receipts taxes (includes franchise tax)					6,267,218
Miscellaneous taxes (includes sewer lateral)					588,441
Unrestricted interest earnings					3,098,984
Miscellaneous					480,594
Total general revenues					<u>33,818,644</u>
Changes in net assets					13,363,085
Net assets - beginning of year					133,770,148
Net assets - end of year					<u>\$ 147,133,233</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2007**

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Chesterfield Valley Tax Increment Financing	Parks Sales Tax	Capital Improvement Sales Tax Trust	Parks Construction	TIF Bond Debt Service	R & S Debt Service	Other Governmental Funds	
<b>ASSETS</b>									
Cash and investments	\$ 12,057,871	3,235,454	3,443,804	262,643	13,845,197	7,688,711	6,462	6,387,919	46,928,061
Cash refunding escrow	-	-	-	-	-	-	10,183,884	-	10,183,884
Receivables:									
Municipal taxes	1,228,797	468,045	891,055	758,837	-	-	-	663,132	4,009,866
Intergovernmental	1,042,811	-	-	-	-	-	-	-	1,042,811
Interest	195,800	-	25,495	-	53,498	29,710	-	16,070	320,573
Other	1,072,066	-	459,233	-	-	-	-	13,492	1,544,791
Due from other funds	753,462	134,569	-	-	-	-	-	86,756	974,787
Prepays	309,602	-	-	-	-	-	-	-	309,602
Total assets	<u>\$ 16,660,409</u>	<u>3,838,068</u>	<u>4,819,587</u>	<u>1,021,480</u>	<u>13,898,695</u>	<u>7,718,421</u>	<u>10,190,346</u>	<u>7,167,369</u>	<u>65,314,375</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts payable	\$ 109,163	470,437	61,062	8,366	-	-	-	4,787	653,815
Accrued salaries and other benefits	259,015	-	-	-	-	-	-	-	259,015
Due to other funds	-	-	401,916	169,774	12,611	46,506	-	343,980	974,787
Deferred revenue	1,773,915	-	-	-	-	-	-	147,248	1,921,163
Other liabilities	32,339	-	-	-	-	-	-	-	32,339
Total liabilities	<u>2,174,432</u>	<u>470,437</u>	<u>462,978</u>	<u>178,140</u>	<u>12,611</u>	<u>46,506</u>	<u>-</u>	<u>496,015</u>	<u>3,841,119</u>
<b>Fund balances</b>									
Reserved:									
Prepays	309,602	-	-	-	-	-	-	-	309,602
Unreserved, reported in:									
General Fund - designated for subsequent year expenditures	205,520	-	-	-	-	-	-	-	205,520
General Fund - undesignated	13,970,855	-	-	-	-	-	-	-	13,970,855
Special Revenue Funds	-	3,367,631	4,356,609	843,340	-	-	-	4,879,849	13,447,429
Capital Project Funds	-	-	-	-	13,886,084	-	-	-	13,886,084
Debt Service Funds	-	-	-	-	-	7,671,915	10,190,346	1,791,505	19,653,766
Total fund balances	<u>14,485,977</u>	<u>3,367,631</u>	<u>4,356,609</u>	<u>843,340</u>	<u>13,886,084</u>	<u>7,671,915</u>	<u>10,190,346</u>	<u>6,671,354</u>	<u>61,473,256</u>
Total liabilities and fund balances	<u>\$ 16,660,409</u>	<u>3,838,068</u>	<u>4,819,587</u>	<u>1,021,480</u>	<u>13,898,695</u>	<u>7,718,421</u>	<u>10,190,346</u>	<u>7,167,369</u>	<u>65,314,375</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**December 31, 2007**

Total fund balances - governmental funds	\$ 61,473,256
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds financial statements. This is the amount by which capital assets (\$231,827,853) exceeded accumulated depreciation (\$62,366,514) as of December 31, 2007.	169,461,339
Property taxes are assessed by the City, but are not collected as of December 31, 2007 and deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	147,248
Court fines receivable as of December 31, 2007 are deferred within the governmental funds financial statements. This amount is recognized in the government-wide financial statements.	117,794
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 governmental funds financial statements. Interest on long-term debt is not accrued in the 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. Discounts, premiums, and bond issuance costs are reported in the governmental funds financial statements when 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, 2007 are:	
Accrued compensated absences, vacation, and compensatory time-off	(634,578)
Accrued interest on outstanding debts as of year-end 2007	(1,195,355)
Bonds, notes payable, and lease obligations outstanding	(81,804,192)
Unamortized bond premium	(1,302,093)
Unamortized bond issuance cost for debts issued in the previous year	869,814
Total net assets of governmental activities	\$ 147,133,233

**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended December 31, 2007**

	Major Funds						Nonmajor Funds	Total Governmental Funds	
	General	Chesterfield Valley Tax Increment Financing	Parks Sales Tax	Capital Improvement Sales Tax Trust	Parks Construction	TIF Bond Debt Service	R & S Debt Service		Other Governmental Funds
<b>REVENUES</b>									
Municipal taxes	\$ 11,132,675	6,926,895	5,179,120	4,409,115	-	-	-	1,440,596	29,088,401
Licenses and permits	1,941,746	-	-	-	-	-	-	-	1,941,746
Intergovernmental	4,668,655	-	439,693	-	-	-	-	28,260	5,136,608
Charges for services, net	195,309	-	1,012,857	-	-	-	-	-	1,208,166
Court fines and forfeitures	991,696	-	-	-	-	-	-	-	991,696
Investment income, net arbitrage	624,091	74,757	159,205	51,484	752,067	455,858	491,834	489,690	3,098,986
Miscellaneous	436,746	-	92,509	-	-	-	-	-	529,255
Total revenues	<u>19,990,918</u>	<u>7,001,652</u>	<u>6,883,384</u>	<u>4,460,599</u>	<u>752,067</u>	<u>455,858</u>	<u>491,834</u>	<u>1,958,546</u>	<u>41,994,858</u>
<b>EXPENDITURES</b>									
Current:									
Legislative	75,142	-	-	-	-	-	-	-	75,142
Administrative	2,583,220	-	-	-	-	-	-	-	2,583,220
Police services	7,262,700	-	-	-	-	-	-	20,451	7,283,151
Judicial	189,993	-	-	-	-	-	-	-	189,993
Planning and zoning	636,912	-	-	-	-	-	-	-	636,912
Public works	4,846,333	173,591	-	-	-	-	-	1,753,851	6,773,775
Parks and recreation	-	-	2,848,683	-	-	-	-	-	2,848,683
Capital outlay	1,691,121	-	639,043	8,366	4,083,957	-	-	4,894,029	11,316,516
Debt service:									
Principal	-	-	-	-	-	17,207,419	8,780,000	1,560,000	27,547,419
Interest and fiscal charges	-	-	-	-	-	682,654	1,432,500	2,125,746	4,240,900
Total expenditures	<u>17,285,421</u>	<u>173,591</u>	<u>3,487,726</u>	<u>8,366</u>	<u>4,083,957</u>	<u>17,890,073</u>	<u>10,212,500</u>	<u>10,354,077</u>	<u>63,495,711</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,705,497</u>	<u>6,828,061</u>	<u>3,395,658</u>	<u>4,452,233</u>	<u>(3,331,890)</u>	<u>(17,434,215)</u>	<u>(9,720,666)</u>	<u>(8,395,531)</u>	<u>(21,500,853)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Sale of capital assets	156,115	-	-	-	-	-	-	-	156,115
Transfers in	101,500	-	-	-	-	16,073,333	2,051,119	6,560,901	24,786,853
Transfers out	(1,228,689)	(17,566,973)	(1,609,868)	(4,364,823)	-	-	-	(16,500)	(24,786,853)
Total other financing sources (uses), net	<u>(971,074)</u>	<u>(17,566,973)</u>	<u>(1,609,868)</u>	<u>(4,364,823)</u>	<u>-</u>	<u>16,073,333</u>	<u>2,051,119</u>	<u>6,544,401</u>	<u>156,115</u>
Net change in fund balances	1,734,423	(10,738,912)	1,785,790	87,410	(3,331,890)	(1,360,882)	(7,669,547)	(1,851,130)	(21,344,738)
Fund balances:									
Beginning of year	12,751,554	14,106,543	2,570,819	755,930	17,217,974	9,032,797	17,859,893	8,522,484	82,817,994
End of year	<u>\$ 14,485,977</u>	<u>3,367,631</u>	<u>4,356,609</u>	<u>843,340</u>	<u>13,886,084</u>	<u>7,671,915</u>	<u>10,190,346</u>	<u>6,671,354</u>	<u>61,473,256</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, 2007**

Net change in fund balances - governmental funds \$ (21,344,738)

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 capital outlays over the capitalization threshold totaling \$12,958,055 exceeded depreciation (\$4,985,381) in the current period. 7,972,674

The net effect of various miscellaneous transactions involving capital assets:

Disposal of assets	(424,913)	
Contributed capital assets - land	665,287	240,374

Adjustments to revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds financial statements:

Property taxes for TIF Fund	(692,912)	
Property taxes for Park Debt Service Fund	92,518	(600,394)

Court fines revenue in the statement of activities that do not provide current financial resources is not reported as revenues in the governmental funds financial statements. 5,738

Bond proceeds are reported as financing sources in the 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.

Repayments during the current year:

Levee District Note	557,419	
TIF Refunding and Improvement Bond	16,650,000	
Annual principal payments on bonds and certificates of participation	10,340,000	27,547,419

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	(7,225)	
Accrued interest on bonds	213,036	
Amortized bond discount	(113,063)	
Amortized bond issuance cost	(638,526)	
Amortized bond premium	87,790	(457,988)

Change in net assets of governmental activities \$ 13,363,085

**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2007**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,882,171
<b>LIABILITIES</b>	
Accounts payable	\$ 475,500
Deposits held in escrow	<u>2,406,671</u>
Total liabilities	<u>\$ 2,882,171</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

**(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. Based on this criteria, the City has determined that its financial reporting entity consists of the City (primary government) and no other reporting units.

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

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

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 interest 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, Chesterfield Valley Tax Increment Financing Fund, Park Sales Tax Fund, Capital Improvement Sales Tax Trust Fund, Parks Construction Fund, TIF Bond Debt Service Fund, and R & S Debt Service 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 are reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balances 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

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

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 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.

**Parks Sales Tax Fund** - The Parks Sales Tax Fund is a Special Revenue Fund used to account for the accumulation of resources from the ½ cent parks sales tax passed in November 2004 and effective April 2005. All parks and recreation activity is tracked in this fund.

**Capital Improvement Sales Tax Trust Fund** - The Capital Improvement Sales Tax Trust Fund is a Special Revenue Fund used to account for special revenues received from the capital improvement sales tax that are specifically earmarked for capital improvements.

**Parks Construction Fund** - The Parks Construction Fund is a Capital Projects Fund used to account for financial resources to be used for the acquisition of park land or construction of park and recreation facilities.

**TIF Bond Debt Service Fund** - The TIF Bond Debt Service Fund is a Debt Service Fund 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.

**R & S Debt Service Fund** - The Road and Sidewalk Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal and interest payment on the General Obligation Street and Sidewalk Bond issue Series 2005.

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

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

**Fiduciary Fund Type**

**Agency Funds** - 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 Fund.

*(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 funds 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 fund 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 60 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 (e.g., matured).

GASB 33 groups nonexchange transactions into the following four classes based upon principal characteristics: derived tax revenues, imposed nonexchange 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.

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

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

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 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 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 funds 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, sidewalks, 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.

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 roads, bridges, and 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

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

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 that 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 \$634,578 has been recorded in the government-wide financial statements.

**(i) *Capital Contributions***

Capital contributions within public works represent government grants and other aid used to fund capital projects. Capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement. Amounts received from other governments that are not restricted for capital purposes are reflected as intergovernmental revenue.

**(j) *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.

**(k) *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 revenue is recorded in the government-wide statements as unearned revenue and as deferred revenue in the fund financial statements. Also included in the fund financial statements in deferred revenue are property tax revenues and court fines that are not collected within 60 days following the end of the current period and gross receipt taxes received from wireless telecommunication companies under protest.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

**(l) *Reserved Fund Balances***

Within the governmental funds 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, 2007 are comprised of prepaid assets.

**(m) *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.

**(n) *Amortization***

In the government-wide financial statements, bond premiums and discounts are recorded as an increase or 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.

**(o) *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. Deposits in financial institutions must be collateralized by securities pledged to the City by these same institutions.

At December 31, 2007, the City's carrying amount of cash deposits totaled \$23,534,528 and the bank balances totaled \$24,850,126.

The bank balances were covered by federal depository insurance in the amount of \$400,000 and secured or collateralized with securities held by the City or by its agent in the City's name in the amount of \$24,414,555. The amount uninsured or uncollateralized deposits amounted to \$35,571.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

The following is a reconciliation of the City's deposit and investment balances at December 31, 2007:

	<b>Government-wide Statement of Net Assets</b>	<b>Fiduciary Funds Statement of Fiduciary Net Assets</b>	<b>Total</b>
Cash and cash equivalents	\$ 31,122,446	2,882,171	34,004,617
Cash refunding escrow	10,183,884	-	10,183,884
Investments	15,805,615	-	15,805,615
	<u>\$ 57,111,945</u>	<u>2,882,171</u>	<u>59,994,116</u>

***Interest Rate Risk***

The City's investment policy seeks to minimize the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates by:

1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
2. Maintaining a sufficient balance in liquid funds to adequately cover forecasted cash requirements.

The City's goal is to match its investments with its anticipated cash flow requirements. No investments shall mature and become payable more than five years from the date of purchase. The investments of the primary government had the following maturities as of December 31, 2007:

	<b>Fair Market Value</b>	<b>No Maturity</b>	<b>Less than One Year</b>	<b>1 - 5 Years</b>
Primary Government:				
Repurchase Agreements	\$ 8,890,272	-	8,890,272	-
Money Market	25,934,192	25,934,192	-	-
State and Local Government Bonds	10,183,884	-	32,304	10,151,580
Collateralized Certificates of Deposit	15,300,415	-	15,300,415	-
Federal Farm Credit Bank	505,200	-	505,200	-
	<u>\$ 60,813,963</u>	<u>25,934,192</u>	<u>24,728,191</u>	<u>10,151,580</u>

***Credit Risk***

The City's investment policy seeks to minimize credit risk, the risk of loss due to the failure of the security issuer by:

1. Pre-qualifying the financial institutions, securities dealers, intermediaries, and advisors with which the City will do business.
2. Diversifying the portfolio so that potential losses on individual securities will be minimized.
3. Settling all purchase/sale transactions delivery versus payment.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

According to the investment policy, any agency security purchased must be senior debt and rated with the highest debt rating by Moody's Investor Services, Inc. and Standard and Poor's Corporation. The following table provides information on the credit ratings associated with the City's investments as of December 31, 2007, excluding obligations of the United States government or obligations explicitly guaranteed by the United States government.

	<u>Fair Market Value</u>	<u>Average Credit Quality (Moody's)</u>
Primary Government:		
Collateralized Certificates of Deposit	\$ 15,300,415	N/A
Money Market*	25,934,192	Unrated
State and Local Government Bonds	10,183,884	N/A
Repurchase Agreements*	8,890,272	N/A
Federal Farm Credit Bank	505,200	AAA

\*Collateralized by United States Treasury Securities

***Concentration of Credit Risk***

The investment policy states that the City will diversify by security type and institution. Security types shall be diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies are periodically reviewed and have been established as follows:

- United States Treasury Securities - up to 100% of total investments
- United States Agency Securities - no more than 60% of total investments
- Collateralized Certificates of Deposit - no more than 50% of total investments
- Collateralized Repurchase Agreements - no more than 50% of total investments
- United States Agency Callable Securities - no more than 35% of total investments
- Commercial Paper - no more than 10% of total investments
- Bankers Acceptances - no more than 10% of total investments

In addition, investment in any single issuer of United States Agency Securities is limited to 40% of the total amount of all United States Agency Securities in the portfolio. Investment transactions with a single institution will be limited to 35% of the total portfolio.

	<u>Fair Market Value</u>	<u>Percent of Total Cash and Investment</u>
Primary Government:		
Collateralized Certificates of Deposit	\$ 15,300,415	25.1%
Money Market*	25,934,192	42.7%
State and Local Government Bonds	10,183,884	16.8%
Repurchase Agreements*	8,890,272	14.6%
Federal Farm Credit Bank	505,200	0.8%

\*Collateralized by United States Treasury Securities

***Custodial Credit Risk***

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial risk by pre-qualifying institutions with which the City places investments, diversifying the investment portfolio, and maintaining a standard of quality for investments.

**(3) Receivables, Net of Allowances**

	<u>Municipal</u>	<u>Intergovern-</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
	<u>Taxes</u>	<u>mental</u>	<u>Interest</u>	<u>Other</u>	<u>Receivables</u>
<b>Governmental Activities</b>					
General Fund	\$ 1,228,797	1,042,811	195,800	1,072,066	3,539,474
Chesterfield Valley Tax Increment Financing Fund	468,045	-	-	-	468,045
Parks Sales Tax Fund	891,055	-	25,495	459,233	1,375,783
TIF Bond Revenue Fund	-	-	16,070	-	16,070
Parks Construction Fund	-	-	53,498	-	53,498
TIF Bond Debt Service Fund	-	-	29,710	-	29,710
Nonmajor other governmental funds	<u>1,421,969</u>	<u>-</u>	<u>-</u>	<u>13,492</u>	<u>1,435,461</u>
Total governmental activities	<u>\$ 4,009,866</u>	<u>1,042,811</u>	<u>320,573</u>	<u>1,544,791</u>	<u>6,918,041</u>

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

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

**(4) Capital Assets**

The following is a summary of changes in capital assets - governmental activities for the year ended December 31, 2007:

	<u>Balance December 31 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance December 31 2007</u>
<b>Governmental activities:</b>					
<i>Capital assets not being depreciated:</i>					
Land	\$ 18,214,751	1,791,895	-	7,288	20,013,934
Right-of-way	73,661,483	1,301,967	300,930	-	74,662,520
Construction in progress	2,623,019	803,080	72,267	(1,575,662)	1,778,170
Total capital assets not being depreciated	<u>94,499,253</u>	<u>3,896,942</u>	<u>373,197</u>	<u>(1,568,374)</u>	<u>96,454,624</u>
<i>Capital assets being depreciated:</i>					
Buildings	15,002,337	-	-	-	15,002,337
Other improvements	12,969,686	3,976,901	-	1,559,693	18,506,280
Machinery and equipment	3,980,348	393,824	144,657	8,681	4,238,196
Automobiles and trucks	3,477,135	628,874	581,236	-	3,524,773
Infrastructure	90,253,219	4,726,801	878,377	-	94,101,643
Total capital assets being depreciated	<u>125,682,725</u>	<u>9,726,400</u>	<u>1,604,270</u>	<u>1,568,374</u>	<u>135,373,229</u>
<i>Less - Accumulated depreciation for:</i>					
Buildings	2,387,636	375,308	-	-	2,762,944
Other improvements	3,507,109	765,027	-	-	4,272,136
Machinery and equipment	1,812,119	401,264	133,757	-	2,079,626
Automobiles and trucks	1,784,401	454,282	540,420	-	1,698,263
Infrastructure	49,442,422	2,989,500	878,377	-	51,553,545
Total accumulated depreciation	<u>58,933,687</u>	<u>4,985,381</u>	<u>1,552,554</u>	<u>-</u>	<u>62,366,514</u>
Total capital assets being depreciated, net	<u>66,749,038</u>	<u>4,741,019</u>	<u>51,716</u>	<u>1,568,374</u>	<u>73,006,715</u>
Governmental activities - capital assets, net	<u>\$ 161,248,291</u>	<u>8,637,961</u>	<u>424,913</u>	<u>-</u>	<u>169,461,339</u>

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

<b>Governmental activities:</b>	
General government	\$ 525,087
Parks and recreation	783,191
Planning	5,892
Public works	3,523,470
Public safety	147,741
Total depreciation expense, governmental activities	<u>\$ 4,985,381</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

**(5) Accounts Payable**

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

**(6) Restricted Net Assets**

The government-wide statement of net assets report \$23,417,047 of restricted net assets, of which \$22,507,727 is restricted by enabling legislation.

**(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 January 1 following the due date. The City's tax rate was levied at \$0.06 per \$100 of assessed valuation and is for retirement of general obligation bonds payable.

Taxes levied for 2007 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 2006 levy was due and collectible within the City's fiscal year ended December 31, 2007.

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 2007 premium payments to the trust was \$350,957.

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 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation*

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

*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. In 2005, the City switched the administrator to Hartford Investment. 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 are fully vested (100%) after five years of credited service. The City's contribution for 2007 was \$735,675 or 8% of covered payroll less any forfeitures from terminated nonvested employees.

Total covered payroll for the year was \$9,235,895 or 86% of the total City payroll of \$10,764,051.

**(11) Interfund Balances**

Individual fund interfund receivable and payable balances as of December 31, 2007 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 219,775
General Fund	Parks Sales Tax Fund	227,097
General Fund	TIF Bond Revenue Fund	293,979
General Fund	Parks Construction Fund	12,611
Nonmajor Governmental Funds	Parks Sales Tax Fund	40,250
Chesterfield Valley Tax Increment Financing Fund	Parks Sales Tax Fund	134,569
TIF Bond Revenue Fund	TIF Bond Debt Service Fund	46,506
		\$ 974,787

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, 2008.

**(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, 2007 are as follows:

2008	\$ 33,200
2009	33,200
2010	25,340
2011	2,700
	\$ 94,440

**(13) Long-Term Liabilities**

The following is a summary of the changes in long-term liabilities for the year ended December 31, 2007:

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

	<u>Balance December 31 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31 2007</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 627,352	148,545	(141,320)	634,578	142,948
General obligation bonds	44,350,000	-	(9,360,000)	34,990,000	1,810,000
Plus - Issuance premium	315,848	-	(24,296)	291,552	-
Certificates of participation	42,220,000	-	(980,000)	41,240,000	1,080,000
Plus - Issuance premium	1,074,035	-	(63,494)	1,010,541	-
Taxes increment financing notes payable	6,131,611	-	(557,419)	5,574,192	5,574,192
TIF refunding and improvement bonds	16,650,000	-	(16,650,000)	-	-
Less - Issuance discount	(113,063)	-	113,063	-	-
Total	<u>\$ 111,255,783</u>	<u>148,545</u>	<u>(27,663,466)</u>	<u>83,740,863</u>	<u>8,607,140</u>

Compensated absences are generally liquidated by the General Fund.

***General Obligation Bonds Payable***

In February 2005, the City issued \$17,760,000 in General Obligation Refunding Bonds Series 2005 for a crossover refunding for a portion of General Obligation Bonds Series 1997 and a portion of General Obligation Bonds 1999 that had \$9,265,000 and \$13,055,000 outstanding, respectively. The Series 2005 bonds bear interest ranging from 3% to 5% and are repaid through a Debt Service Fund. The net proceeds of the Series 2005 issue were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments of the Series 2005 bonds to the "crossover" date of February 15, 2007 for the General Obligation Bonds Series 1997 and February 15, 2009 for the General Obligation Bonds Series 1999 and to provide for the \$17,760,000 called principal of the bonds on those dates. A crossover refunding does not result in the defeasance of debt prior to the crossover date because the asset placed in the irrevocable escrow are not used solely for satisfying scheduled payments on the defeased debt. As a result, the fund's balance and investments in the Debt Service Fund at December 31, 2007 include the proceeds which will be used to defease a portion of the principal balance outstanding on February 15, 2009, of the bonds.

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 Series 1995 bonds. As a result, the Series 1995 bonds are considered 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 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.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

The annual principal and interest requirements to maturity of the General Obligation Bonds as of December 31, 2007 are as follows:

	<b>General Obligation Bonds</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2008	\$ 1,810,000	1,455,624	3,265,624
2009	12,060,000	1,142,670	13,202,670
2010	2,035,000	829,096	2,864,096
2011	2,135,000	749,073	2,884,073
2012	2,205,000	683,290	2,888,290
2013-2017	10,800,000	1,933,563	12,733,563
2018-2019	3,945,000	168,813	4,113,813
	<u>\$ 34,990,000</u>	<u>6,962,129</u>	<u>41,952,129</u>

***Certificates of Participation***

In January 2005, the City issued \$25,710,000 in Certificates of Participation (Series 2005), which represent proportionate interests in base rentals to be paid by the City pursuant to an annually renewable lease/purchase agreement dated January 1, 2005 between the City and Wells Fargo Bank (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 park land and parks and recreation amenities. The base rentals constitute rent for the land and amenities pursuant to the lease. The certificates of participation bear interest ranging from 3% to 5% and will be repaid through the revenues generated by the ½ cent sales tax for parks passed by voters in November 2004. This sales tax has taken effect on April 1, 2005.

In August 2004, the City had advanced refunding on the Certificates of Participation (Series 2000) which had an outstanding principal amount of \$16,495,000 at that time. The City simultaneously issued the Certificates of Participation (Series 2004) in the amount of \$15,820,000, depositing the proceeds and the funds currently in the reserve fund with the Escrow Agent (UMB Bank, N.A., Kansas City, Missouri). The certificates of participation bear interest from 3% to 5% and are repaid by General Fund operating revenues.

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) refunding \$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) funding a Debt Service Reserve Fund for the certificates; and 3) paying 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.

The annual principal and interest requirements to maturity of the certificates of participation as of December 31, 2007 are as follows:

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

	<b>Certificates of Participation</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2008	\$ 1,080,000	1,219,712	2,299,712
2009	1,190,000	1,198,006	2,388,006
2010	1,610,000	1,172,531	2,782,531
2011	1,740,000	1,145,613	2,885,613
2012	1,895,000	1,111,142	3,006,142
2013-2017	11,445,000	5,162,223	16,607,223
2018-2022	15,160,000	3,534,847	18,694,847
2023-2025	7,120,000	682,904	7,802,904
	<u>\$ 41,240,000</u>	<u>15,226,978</u>	<u>56,446,978</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 assumed 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 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 outstanding bond principal was fully retired in 2007.

The composition of the City's TIF Notes payable is as follows:

	<u>Balance December 31 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31 2007</u>
Levee District TIF notes payable: Series 2002, tax increment revenue notes, interest rate 6.041%, payable through August 15, 2017	\$ 6,131,611	-	(557,419)	5,574,192

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2007**

The 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 amount due within one year (2007) was the balance of these notes as shown in item (13) on page 43.

**(14) Interfund Transfers**

Individual fund transfers for the year ended December 31, 2007 are as follows:

		<u>Transfer From</u>				
		<u>General</u>	<u>Chesterfield</u>	<u>Park</u>	<u>Other</u>	
		<u>Fund</u>	<u>Valley Tax</u>	<u>Sales</u>	<u>Governmental</u>	<u>Total</u>
			<u>Increment</u>	<u>Tax</u>	<u>Funds</u>	
			<u>Fund</u>	<u>Fund</u>		
<b>Transfer</b>  <b>To</b>	General Fund	\$ -	45,002	-	56,498	101,500
	TIF Bond Revenue					
	Fund	-	1,448,638	-	-	1,448,638
	TIF Bond Debt					
	Service Fund	-	16,073,333	-	-	16,073,333
	R & S Debt Service					
Funds	-	-	-	2,051,119	2,051,119	
Other government-						
al funds	1,228,689	-	1,609,868	2,273,706	5,112,263	
	<u>\$ 1,228,689</u>	<u>17,566,973</u>	<u>1,609,868</u>	<u>4,381,323</u>	<u>24,786,853</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) Pledged Revenues**

The City has pledged a portion of future parks sales tax revenues to repay \$25,710,000 in certificates of participation issued in December 2005 to finance park improvements throughout the City. The certificates are payable solely from the sales taxes generated by a 1/4 cent parks sales tax. These taxes were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$37,960,338 payable through December 2025. For the current year, principal and interest paid and total sales tax revenues were \$1,571,379 and \$5,179,120, respectively.

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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, 2007**

Schedule 1

	<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:				
Utility gross receipts	\$ 5,012,787	5,012,787	4,988,942	(23,845)
Sales taxes	6,308,750	6,308,750	6,143,733	(165,017)
Total municipal taxes	<u>11,321,537</u>	<u>11,321,537</u>	<u>11,132,675</u>	<u>(188,862)</u>
Licenses and permits	<u>1,311,620</u>	<u>1,311,620</u>	<u>1,941,746</u>	<u>630,126</u>
Intergovernmental:				
Motor fuel and vehicle sales taxes	2,032,000	2,032,000	2,013,005	(18,995)
Cigarette tax	170,000	170,000	157,636	(12,364)
Road and bridge tax	1,649,440	1,649,440	1,789,201	139,761
Grants and other	<u>357,000</u>	<u>649,750</u>	<u>708,813</u>	<u>59,063</u>
Total intergovernmental	<u>4,208,440</u>	<u>4,501,190</u>	<u>4,668,655</u>	<u>167,465</u>
Charges for services:				
Inspection and subdivision fees	71,000	71,000	127,212	56,212
Zoning applications	13,000	13,000	17,402	4,402
Police reports	8,000	8,000	6,847	(1,153)
False alarms	30,000	30,000	40,259	10,259
Other charges	<u>3,500</u>	<u>3,500</u>	<u>3,589</u>	<u>89</u>
Total charges for services	<u>125,500</u>	<u>125,500</u>	<u>195,309</u>	<u>69,809</u>
Court fines and forfeitures	<u>952,500</u>	<u>952,500</u>	<u>991,696</u>	<u>39,196</u>
Investment income	<u>555,000</u>	<u>555,000</u>	<u>624,091</u>	<u>69,091</u>
Miscellaneous	<u>135,000</u>	<u>194,687</u>	<u>436,746</u>	<u>242,059</u>
Total revenues	<u>18,609,597</u>	<u>18,962,034</u>	<u>19,990,918</u>	<u>1,028,884</u>
<b>EXPENDITURES</b>	<u>17,437,582</u>	<u>18,231,243</u>	<u>17,285,421</u>	<u>945,822</u>
Excess of revenues over expenditures	<u>1,172,015</u>	<u>730,791</u>	<u>2,705,497</u>	<u>1,974,706</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	125,000	125,000	156,115	31,115
Transfers in	171,781	171,781	101,500	(70,281)
Transfers out	<u>(1,478,796)</u>	<u>(1,478,796)</u>	<u>(1,228,689)</u>	<u>250,107</u>
Total other financing sources (uses), net	<u>(1,182,015)</u>	<u>(1,182,015)</u>	<u>(971,074)</u>	<u>210,941</u>
Net change in fund balance	<u>\$ (10,000)</u>	<u>(451,224)</u>	<u>1,734,423</u>	<u>2,185,647</u>

(Continued)

**CITY OF CHESTERFIELD, MISSOURI**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the year ended December 31, 2007**

Schedule 1

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>EXPENDITURES</b>				
<b>General government:</b>				
Legislative - Mayor's Office and City Council:				
Personal services	\$ 64,750	64,750	64,743	7
Contractual services	3,050	11,050	10,214	836
Commodities	800	800	185	615
Total legislative	<u>68,600</u>	<u>76,600</u>	<u>75,142</u>	<u>1,458</u>
Administrative:				
City clerk:				
Personal services	219,657	219,657	199,826	19,831
Contractual services	24,025	39,025	23,401	15,624
Commodities	2,000	2,000	1,273	727
City Administrator:				
Personal services	220,031	220,031	222,046	(2,015)
Contractual services	5,420	5,420	8,806	(3,386)
Community development				
Personal services	115,340	115,340	120,383	(5,043)
Contractual services	60,515	95,515	57,590	37,925
Commodities	-	-	423	(423)
Finance:				
Personal services	461,794	461,794	427,472	34,322
Contractual services	121,350	121,350	111,406	9,944
Commodities	2,500	2,500	2,060	440
Capital outlay	-	250,000	170,966	79,034
Central services:				
Personal services	199,000	199,000	97,461	101,539
Contractual services	938,000	981,500	953,406	28,094
Commodities	58,000	58,000	48,485	9,515
Information systems:				
Personal services	215,951	215,951	201,564	14,387
Contractual services	110,260	88,260	63,384	24,876
Commodities	54,000	56,600	44,234	12,366
Capital outlay	-	19,400	24,510	(5,110)
Total administrative	<u>2,807,843</u>	<u>3,151,343</u>	<u>2,778,696</u>	<u>372,647</u>
Police services:				
Personal services	6,813,896	6,811,696	6,682,256	129,440
Contractual services	371,905	371,905	366,802	5,103
Commodities	220,750	197,000	213,642	(16,642)
Capital outlay	287,800	357,128	342,633	14,495
Total police services	<u>7,694,351</u>	<u>7,737,729</u>	<u>7,605,333</u>	<u>132,396</u>
Judicial:				
Personal services	139,525	139,525	143,245	(3,720)
Contractual services	48,970	48,970	46,456	2,514
Commodities	1,400	1,400	292	1,108
Total judicial	<u>189,895</u>	<u>189,895</u>	<u>189,993</u>	<u>(98)</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the year ended December 31, 2007**

Schedule 1

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Planning and zoning:				
Personal services	688,153	695,153	612,928	82,225
Contractual services	26,656	29,506	20,855	8,651
Commodities	3,074	3,074	3,129	(55)
Total planning and zoning	<u>717,883</u>	<u>727,733</u>	<u>636,912</u>	<u>90,821</u>
Public works:				
Administration and engineering:				
Personal services	1,172,677	1,172,677	1,130,307	42,370
Contractual services	78,430	81,230	76,769	4,461
Commodities	22,700	22,700	23,409	(709)
Capital outlay	254,050	254,050	309,332	(55,282)
Street and sewer maintenance:				
Personal services	1,562,188	1,617,188	1,569,534	47,654
Contractual services	191,888	259,888	225,532	34,356
Commodities	354,500	528,620	361,893	166,727
Capital outlay	912,119	987,132	837,851	149,281
Vehicle maintenance:				
Personal services	294,687	308,687	309,255	(568)
Contractual services	163,800	163,800	185,002	(21,202)
Commodities	332,500	332,500	342,879	(10,379)
Capital outlay	8,000	8,000	5,829	2,171
Building maintenance:				
Personal services	264,521	264,521	274,878	(10,357)
Contractual services	275,200	275,200	288,910	(13,710)
Commodities	41,250	41,250	42,576	(1,326)
Street lighting - contractual services:				
Contractual services	26,780	26,780	15,389	11,391
Commodities	3,720	3,720	-	3,720
Total public works	<u>5,959,010</u>	<u>6,347,943</u>	<u>5,999,345</u>	<u>348,598</u>
Total expenditures	<u>\$ 17,437,582</u>	<u>18,231,243</u>	<u>17,285,421</u>	<u>945,822</u>

**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, 2007**

Schedule 2

	<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:				
Property	\$ 12,300,000	12,300,000	377,766	(11,922,234)
Utility gross receipts	274,000	274,000	-	(274,000)
Sales	6,500,000	6,500,000	6,549,129	49,129
Total municipal taxes	19,074,000	19,074,000	6,926,895	(12,147,105)
Investment income	160,000	160,000	74,757	(85,243)
Total revenues	19,234,000	19,234,000	7,001,652	(12,232,348)
<b>EXPENDITURES</b>				
Public works	1,192,860	1,192,860	173,591	1,019,269
Excess of revenues over expenditures	18,041,140	18,041,140	6,828,061	(11,213,079)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(22,000,000)	(22,000,000)	(17,566,973)	4,433,027
Net change in fund balance	\$ (3,958,860)	(3,958,860)	(10,738,912)	(6,780,052)

**CITY OF CHESTERFIELD, MISSOURI**  
**Parks Sales Tax Fund - Special Revenue Major Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the year ended December 31, 2007**

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	\$ 4,995,500	4,995,500	5,179,120	183,620
Intergovernmental	-	435,586	439,693	4,107
Park charges and fees	763,800	763,800	1,012,857	249,057
Investment income	75,000	75,000	159,205	84,205
Miscellaneous	-	-	92,509	92,509
Total revenues	5,834,300	6,269,886	6,883,384	613,498
<b>EXPENDITURES</b>				
Parks and recreation	2,977,810	3,005,810	2,848,683	157,127
Capital outlay	183,539	591,125	639,043	(47,918)
Total expenditures	3,161,349	3,596,935	3,487,726	109,209
Excess of revenues over expenditures	2,672,951	2,672,951	3,395,658	722,707
<b>OTHER FINANCING USES</b>				
Transfers out	(5,448,121)	(5,448,121)	(1,609,868)	3,838,253
Net change in fund balance	\$ (2,775,170)	(2,775,170)	1,785,790	4,560,960

**CITY OF CHESTERFIELD, MISSOURI**  
**Capital Improvement Sales Tax Trust Fund - Special Revenue Major Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the year ended December 31, 2007**

Schedule 4

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Municipal taxes:			
Sales taxes	\$ 4,246,175	4,409,115	162,940
Investment income	10,000	51,484	41,484
Total revenues	4,256,175	4,460,599	204,424
<b>EXPENDITURES</b>			
Capital outlay	-	8,366	(8,366)
Excess of revenues over expenditures	4,256,175	4,452,233	196,058
<b>OTHER FINANCING USES</b>			
Transfers out	(4,871,872)	(4,364,823)	507,049
Net change in fund balance	\$ (615,697)	87,410	703,107

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual**  
**For the year ended December 31, 2007**

**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, Parks Sales Tax Special Revenue Fund, TIF Bond Revenue Special Revenue Fund, all Debt Service Funds, and all Capital Project Funds. 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. During or before the last week of November, 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, estimated revenue of the fund for the budget year, and the means of financing them.
2. On December 1, the City Administrator presents proposed budget at a Public Hearing prior to regularly scheduled City Council meeting. The budget is adopted at regular City Council meeting by resolution.
3. 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.
4. 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.
5. All appropriations lapse at year-end, outstanding encumbrances are reappropriated in the subsequent fiscal year budget to provide for the liquidation of the prior commitments.

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's 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 transfers in an amount over \$5,000.

The legal level of budgetary control for the original adopted annual budget for the Chesterfield Valley Tax Increment Financing Special Revenue Fund, Parks Sales Tax Special Revenue Fund, Capital Improvement Sales Tax Trust Special Revenue Fund, all Debt Service Funds, and all Capital Project Funds is defined as the budgeted appropriation amount at the department level.

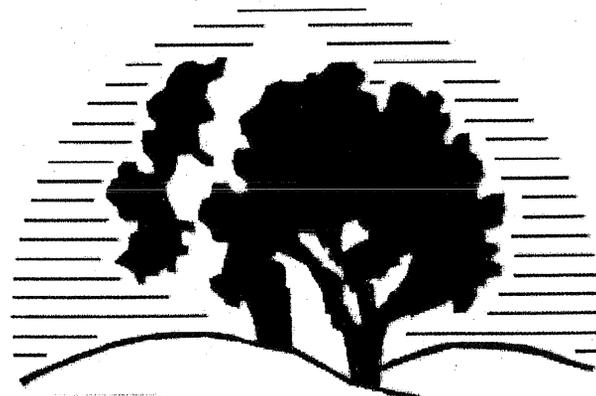
The City's budget preparation is based upon the basis of U.S. generally accepted accounting principles (GAAP). The only exception is compensated absences that are expected to be liquidated with expendable available financial resources which are accrued as earned by employees, as opposed to being expended

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual**  
**For the year ended December 31, 2007**

when paid (budget). In addition, gains or losses on investments, depreciation, and amortization are not considered budgetary accounts and are excluded from the budgeting system.

**EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended December 31, 2007, expenditures exceeded appropriations in the TIF Bond Revenue Fund, the Capital Improvement Sales Tax Trust Fund, and the R & S Debt Service Fund. These over expenditures were funded by available fund balance.



**e** City of  
Chesterfield

*690 Chesterfield Parkway West  
Chesterfield, MO 63017  
[www.chesterfield.mo.us](http://www.chesterfield.mo.us)*

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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.

TIF Bond Revenue Fund - This fund 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.

## **Capital Project Funds**

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

## **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 advanced 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.

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.

Parks 2005 - This fund is used to account for the accumulation of resources and payment of principal and interest on the Certificates of Participation 2005.

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2007**

Schedule 5

	<u>Nonmajor Special Revenue Funds</u>				<u>Nonmajor Capital Project Fund</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Police Forfeiture</u>	<u>Sewer Lateral</u>	<u>TIF Bond Revenue</u>	<u>Total Special Revenue</u>			
<b>ASSETS</b>							
Cash and investments	\$ 39,759	751,884	4,158,854	4,950,497	-	1,437,422	6,387,919
Receivables:							
Municipal taxes	-	111,800		111,800	-	551,332	663,132
Interest	-	-	16,070	16,070	-	-	16,070
Other	13,492	-	-	13,492	-	-	13,492
Due from other funds	-	40,250	46,506	86,756	-	-	86,756
Total assets	<u>\$ 53,251</u>	<u>903,934</u>	<u>4,221,430</u>	<u>5,178,615</u>	<u>-</u>	<u>1,988,754</u>	<u>7,167,369</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	4,787	-	4,787	-	-	4,787
Due to other funds	-	-	293,979	293,979	-	50,001	343,980
Deferred revenue	-	-	-	-	-	147,248	147,248
Total liabilities	<u>-</u>	<u>4,787</u>	<u>293,979</u>	<u>298,766</u>	<u>-</u>	<u>197,249</u>	<u>496,015</u>
<b>Fund balances</b>							
Unreserved, reported in:							
Special Revenue Funds	53,251	899,147	3,927,451	4,879,849	-	-	4,879,849
Debt Service Funds	-	-	-	-	-	1,791,505	1,791,505
Total fund balances	<u>53,251</u>	<u>899,147</u>	<u>3,927,451</u>	<u>4,879,849</u>	<u>-</u>	<u>1,791,505</u>	<u>6,671,354</u>
Total liabilities and fund balances	<u>\$ 53,251</u>	<u>903,934</u>	<u>4,221,430</u>	<u>5,178,615</u>	<u>-</u>	<u>1,988,754</u>	<u>7,167,369</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended December 31, 2007**

Schedule 6

	<u>Nonmajor Special Revenue Funds</u>			<u>Total Special Revenue</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Police Forfeiture</u>	<u>Sewer Lateral</u>	<u>TIF Bond Revenue</u>				
<b>REVENUES</b>							
Municipal taxes	\$ -	430,804	-	430,804	-	1,009,792	1,440,596
Intergovernmental	28,260	-	-	28,260	-	-	28,260
Investment income	-	31,362	412,323	443,685	-	46,005	489,690
Total revenues	<u>28,260</u>	<u>462,166</u>	<u>412,323</u>	<u>902,749</u>	<u>-</u>	<u>1,055,797</u>	<u>1,958,546</u>
<b>EXPENDITURES</b>							
Current:							
Police services	20,451	-	-	20,451	-	-	20,451
Public works	-	483,126	1,195,110	1,678,236	75,615	-	1,753,851
Capital outlay	10,590	-	2,645,351	2,655,941	2,238,088	-	4,894,029
Debt service:							
Principal	-	-	-	-	-	1,560,000	1,560,000
Interest and fiscal charges	-	-	-	-	-	2,125,746	2,125,746
Total expenditures	<u>31,041</u>	<u>483,126</u>	<u>3,840,461</u>	<u>4,354,628</u>	<u>2,313,703</u>	<u>3,685,746</u>	<u>10,354,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,781)</u>	<u>(20,960)</u>	<u>(3,428,138)</u>	<u>(3,451,879)</u>	<u>(2,313,703)</u>	<u>(2,629,949)</u>	<u>(8,395,531)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	1,448,638	1,448,638	2,313,703	2,798,560	6,560,901
Transfers out	-	(16,500)	-	(16,500)	-	-	(16,500)
Total other financing sources (uses), net	<u>-</u>	<u>(16,500)</u>	<u>1,448,638</u>	<u>1,432,138</u>	<u>2,313,703</u>	<u>2,798,560</u>	<u>6,544,401</u>
Net change in fund balances	<u>(2,781)</u>	<u>(37,460)</u>	<u>(1,979,500)</u>	<u>(2,019,741)</u>	<u>-</u>	<u>168,611</u>	<u>(1,851,130)</u>
Fund balances:							
Beginning of year	56,032	936,607	5,906,951	6,899,590	-	1,622,894	8,522,484
End of year	<u>\$ 53,251</u>	<u>899,147</u>	<u>3,927,451</u>	<u>4,879,849</u>	<u>-</u>	<u>1,791,505</u>	<u>6,671,354</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2007**

Schedule 7

	<b>Parks 1998</b>	<b>Public Works Facility 1995 and 2002</b>	<b>City Hall</b>	<b>Parks 2005</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and investments	\$ 1,195,961	241,366	90	5	1,437,422
Receivables:					
Municipal taxes	551,332	-	-	-	551,332
Total assets	\$ 1,747,293	241,366	90	5	1,988,754
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Due to other funds	\$ 49,739	262	-	-	50,001
Deferred revenue	147,248	-	-	-	147,248
Total liabilities	196,987	262	-	-	197,249
<b>Fund balances</b>	1,550,306	241,104	90	5	1,791,505
Total liabilities and fund balances	\$ 1,747,293	241,366	90	5	1,988,754

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the year ended December 31, 2007**

Schedule 8

	<u>Parks 1998</u>	<u>Public Works Facility 1995 and 2002</u>	<u>City Hall</u>	<u>Parks 2005</u>	<u>Total</u>
<b>REVENUES</b>					
Municipal taxes	\$ 1,009,792	-	-	-	1,009,792
Investment income	36,838	9,298	(1,451)	1,320	46,005
Total revenues	<u>1,046,630</u>	<u>9,298</u>	<u>(1,451)</u>	<u>1,320</u>	<u>1,055,797</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	580,000	165,000	320,000	495,000	1,560,000
Interest and fiscal charges	297,463	61,398	690,556	1,076,329	2,125,746
Total expenditures	<u>877,463</u>	<u>226,398</u>	<u>1,010,556</u>	<u>1,571,329</u>	<u>3,685,746</u>
Excess (deficiency) of revenues over (under) expenditures	169,167	(217,100)	(1,012,007)	(1,570,009)	(2,629,949)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	216,781	1,011,911	1,569,868	2,798,560
Net change in fund balances	<u>169,167</u>	<u>(319)</u>	<u>(96)</u>	<u>(141)</u>	<u>168,611</u>
<b>Fund balances:</b>					
Beginning of year	1,381,139	241,423	186	146	1,622,894
End of year	<u>\$ 1,550,306</u>	<u>241,104</u>	<u>90</u>	<u>5</u>	<u>1,791,505</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**TIF Bond Revenue Fund - Nonmajor Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the year ended December 31, 2007**

Schedule 9

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Investment income	\$ 75,000	75,000	412,323	337,323
<b>EXPENDITURES</b>				
Public works	-	-	1,195,110	(1,195,110)
Capital outlay	2,000,000	2,000,000	2,645,351	(645,351)
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>3,840,461</u>	<u>(1,840,461)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,925,000)	(1,925,000)	(3,428,138)	(1,503,138)
<b>OTHER FINANCING USES</b>				
Transfers in	1,500,000	1,500,000	1,448,638	(51,362)
Net change in fund balances	<u>\$ (425,000)</u>	<u>(425,000)</u>	<u>(1,979,500)</u>	<u>(1,554,500)</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Capital Project Fund - Nonmajor Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the year ended December 31, 2007**

Schedule 10

	<b>Original Budget</b>	<b>Final Revised Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>	\$ -	-	-	-
<b>EXPENDITURES</b>				
Current:				
Public works	98,697	160,080	75,615	84,465
Capital outlay	2,943,048	4,176,268	2,238,088	1,938,180
Total expenditures	3,041,745	4,336,348	2,313,703	2,022,645
Excess (deficiency) of revenues over (under) expenditures	(3,041,745)	(4,336,348)	(2,313,703)	2,022,645
<b>OTHER FINANCING SOURCES</b>				
Transfers in	3,041,745	3,041,745	2,313,703	(728,042)
Net change in fund balance	\$ -	(1,294,603)	-	1,294,603

**CITY OF CHESTERFIELD, MISSOURI**  
**Parks 1998 - Nonmajor Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the year ended December 31, 2007**

Schedule 11

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Property taxes	\$ 843,000	1,009,792	166,792
Investment income	23,000	36,838	13,838
Total revenues	866,000	1,046,630	180,630
<b>EXPENDITURES</b>			
Debt service:			
Principal	580,000	580,000	-
Interest and fiscal charges	299,963	297,463	2,500
Total expenditures	879,963	877,463	2,500
Net change in fund balance	\$ (13,963)	169,167	183,130

**CITY OF CHESTERFIELD, MISSOURI**  
**Public Works Facility 1995 and 2002 - Nonmajor Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the year ended December 31, 2007**

Schedule 12

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment income	\$ 200	9,298	9,098
<b>EXPENDITURES</b>			
Debt service:			
Principal	165,000	165,000	-
Interest and fiscal charges	63,898	61,398	2,500
Total expenditures	<u>228,898</u>	<u>226,398</u>	<u>2,500</u>
Excess (deficiency) of revenues over (under) expenditures	(228,698)	(217,100)	11,598
<b>OTHER FINANCING SOURCES</b>			
Transfers in	228,898	216,781	(12,117)
Net change in fund balance	<u>\$ 200</u>	<u>(319)</u>	<u>(519)</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**City Hall - Nonmajor Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the year ended December 31, 2007**

Schedule 13

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment income	\$ -	(1,451)	(1,451)
<b>EXPENDITURES</b>			
Debt service:			
Principal	320,000	320,000	-
Interest and fiscal charges	704,988	690,556	14,432
Total expenditures	<u>1,024,988</u>	<u>1,010,556</u>	<u>14,432</u>
Deficiency of revenues under expenditures	(1,024,988)	(1,012,007)	12,981
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,024,988	1,011,911	(13,077)
Net change in fund balance	<u>\$ -</u>	<u>(96)</u>	<u>(96)</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Parks 2005 - Nonmajor Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the year ended December 31, 2007**

Schedule 14

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment income	\$ -	1,320	1,320
<b>EXPENDITURES</b>			
Debt service:			
Principal	495,000	495,000	-
Interest and fiscal charges	1,078,825	1,076,329	2,496
Total expenditures	<u>1,573,825</u>	<u>1,571,329</u>	<u>2,496</u>
Deficiency of revenues under expenditures	(1,573,825)	(1,570,009)	3,816
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,573,825	1,569,868	(3,957)
Net change in fund balance	<u>\$ -</u>	<u>(141)</u>	<u>(141)</u>

## **Capital Projects Major Fund**

Capital Projects Funds are used to account for the accumulation of resources for the acquisition and construction of major capital assets.

## **Debt Service Major Fund**

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.

## **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**  
**Parks Construction Fund - Capital Projects Major Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the year ended December 31, 2007**

Schedule 15

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Investment income	\$ 550,000	550,000	752,067	202,067
<b>EXPENDITURES</b>				
Capital outlay	2,453,080	12,782,120	4,083,957	8,698,163
Net change in fund balance	<u>\$ (1,903,080)</u>	<u>(12,232,120)</u>	<u>(3,331,890)</u>	<u>8,900,230</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**TIF Bond Debt Service Fund - Debt Service Major Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the year ended December 31, 2007**

Schedule 16

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment income	\$ 25,000	455,858	430,858
<b>EXPENDITURES</b>			
Debt service:			
Principal	17,181,360	17,207,419	(26,059)
Interest and fiscal charges	934,915	682,654	252,261
Total expenditures	<u>18,116,275</u>	<u>17,890,073</u>	<u>226,202</u>
Deficiency of revenues under expenditures	(18,091,275)	(17,434,215)	657,060
<b>OTHER FINANCING SOURCES</b>			
Transfers in	13,412,275	16,073,333	2,661,058
Net change in fund balance	<u>\$ (4,679,000)</u>	<u>(1,360,882)</u>	<u>3,318,118</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**R & S Debt Service Fund - Debt Service Major Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the year ended December 31, 2007**

Schedule 17

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment income	\$ -	491,834	491,834
<b>EXPENDITURES</b>			
Debt service:			
Principal	8,819,798	8,780,000	39,798
Interest and fiscal charges	999,082	1,432,500	(433,418)
Total expenditures	<u>9,818,880</u>	<u>10,212,500</u>	<u>(393,620)</u>
Deficiency of revenues under expenditures	(9,818,880)	(9,720,666)	98,214
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,055,127	2,051,119	(4,008)
Net change in fund balances	<u>\$ (7,763,753)</u>	<u>(7,669,547)</u>	<u>94,206</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**December 31, 2007**

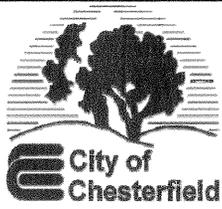
Schedule 18

	<u>Court Bond Fund</u>	<u>Explorer's Fund</u>	<u>Highway 40 Trust Fund</u>	<u>Miscellaneous Escrow Fund</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 83,894	15,888	459,612	2,322,777	2,882,171
<b>LIABILITIES</b>					
Accounts payable	\$ -	15,888	459,612	-	475,500
Deposits held in escrow	83,894	-	-	2,322,777	2,406,671
Total liabilities	<u>\$ 83,894</u>	<u>15,888</u>	<u>459,612</u>	<u>2,322,777</u>	<u>2,882,171</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**For the year ended December 31, 2007**

Schedule 19

	Balance December 31 2006	Additions	Deductions	Balance December 31 2007
<b>Court Bond Fund</b>				
Assets - cash and cash equivalents	\$ 88,308	31,058	35,472	83,894
Liabilities - deposits held in escrow	\$ 88,308	43,514	47,928	83,894
<b>Explorer's Fund</b>				
Assets - cash and cash equivalents	\$ 13,634	2,500	246	15,888
Liabilities - accounts payable	\$ 13,634	2,500	246	15,888
<b>Highway 40 Trust Fund</b>				
Assets - cash and cash equivalents	\$ 811,527	30,900	382,815	459,612
Liabilities - trust fund payable	\$ 811,527	30,900	382,815	459,612
<b>Miscellaneous Escrow Fund</b>				
Assets - cash and cash equivalents	\$ 1,421,714	1,306,089	405,026	2,322,777
Liabilities - deposits held in escrow	\$ 1,421,714	1,670,350	769,287	2,322,777
<b>Total - All Agency Funds</b>				
Assets - cash and cash equivalents	\$ 2,335,183	1,370,547	823,559	2,882,171
Liabilities:				
Accounts payable	\$ 825,161	33,400	383,061	475,500
Deposits held in escrow	1,510,022	1,713,864	817,215	2,406,671
Total liabilities	\$ 2,335,183	1,747,264	1,200,276	2,882,171



## Statistical Section

**CITY OF CHESTERFIELD, MISSOURI**  
**Statistical Section**  
**December 31, 2007**

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

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	73 - 76
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	77 - 80
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	81 - 85
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	86 - 87
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	88 - 90

Sources: Unless otherwise noted, the information in these schedules is derived from the CAFRs for the relevant year.

**CITY OF CHESTERFIELD, MISSOURI**  
**Net Assets by Component**  
**Last Six Fiscal Years**

<u>Functions/Programs</u>	<u>December 31</u>					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:						
Invested in capital assets, net of related debt	\$ 98,156,258	100,479,329	102,724,442	106,461,560	109,037,358	115,267,934
Restricted	32,087,452	30,772,578	30,719,989	31,608,907	34,529,805	23,417,047
Unrestricted	(39,180,430)	(36,474,538)	(33,197,547)	(23,133,146)	(9,797,015)	8,448,252
Total governmental activities net assets	<u>\$ 91,063,280</u>	<u>94,777,369</u>	<u>100,246,884</u>	<u>114,937,321</u>	<u>133,770,148</u>	<u>147,133,233</u>

Source: Basic financial statements

2002 was the year GASB Statement 34 was implemented.

**CITY OF CHESTERFIELD, MISSOURI**  
**Changes in Net Assets**  
**Last Six Fiscal Years**

	<b>For the years ended December 31</b>					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>EXPENSES</b>						
Primary Government						
Governmental activities:						
General government	\$ 2,779,184	2,596,258	2,732,076	2,820,464	2,828,371	3,012,569
Public safety	6,733,157	6,540,437	6,694,462	6,877,264	7,099,546	7,405,868
Public works	16,058,649	14,763,996	12,830,243	14,714,417	14,847,845	10,246,596
Planning	629,707	588,615	592,138	578,915	646,653	642,805
Parks and recreation	1,733,646	1,759,887	1,819,602	1,200,554	3,279,634	3,631,874
Community development	177,757	179,090	139,090	65,848	153,130	493,543
Judicial	173,865	169,118	177,183	184,064	182,869	189,701
Interest on long-term debt	6,604,298	4,594,305	5,598,446	5,485,774	5,172,635	4,691,663
Total primary government expenses	<u>34,890,263</u>	<u>31,191,706</u>	<u>30,583,240</u>	<u>31,927,300</u>	<u>34,210,683</u>	<u>30,314,619</u>
<b>PROGRAM REVENUES</b>						
Primary Government						
Governmental activities:						
Charges for services:						
General government	496,784	541,361	621,344	635,359	694,115	667,663
Parks and recreation	419,918	420,887	459,308	778,892	868,600	1,012,857
Judicial	836,305	809,258	833,990	852,979	942,244	997,433
Planning	26,129	20,850	27,332	24,219	34,853	38,137
Public works	450,323	314,534	391,134	63,105	108,644	106,480
Public safety	161,588	63,924	49,255	39,342	41,293	47,106
Operating grants and contributions	378,601	4,901,639	4,005,610	3,623,959	4,036,605	4,614,543
Capital grants and contributions	28,119	1,396,652	365,850	1,464,064	417,894	2,374,841
Total primary government program revenues	<u>2,797,767</u>	<u>8,469,105</u>	<u>6,753,823</u>	<u>7,481,919</u>	<u>7,144,248</u>	<u>9,859,060</u>
<b>Net Revenues (Expenses)</b>						
Total primary government net expense	<u>(32,092,496)</u>	<u>(22,722,601)</u>	<u>(23,829,417)</u>	<u>(24,445,381)</u>	<u>(27,066,435)</u>	<u>(20,455,559)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Primary Government						
Governmental activities:						
Taxes:						
Property taxes	7,181,111	7,184,039	9,074,627	11,210,863	13,665,140	1,102,310
Gross receipts tax (includes franchise tax)	4,789,699	4,985,577	5,013,234	5,473,216	5,617,717	6,267,218
Sales taxes	12,621,361	12,961,633	13,764,998	19,524,090	22,574,494	22,281,097
Sewer lateral	402,731	549,249	465,261	420,758	600,668	588,441
Investment earnings	1,022,026	486,186	524,489	2,020,949	3,211,400	3,098,984
Miscellaneous	4,755,027	270,006	456,323	485,942	229,843	480,594
Total primary government	<u>30,771,955</u>	<u>26,436,690</u>	<u>29,298,932</u>	<u>39,135,818</u>	<u>45,899,262</u>	<u>33,818,644</u>
<b>Changes in Net Assets</b>						
Total primary government	<u>\$ (1,320,541)</u>	<u>3,714,089</u>	<u>5,469,515</u>	<u>14,690,437</u>	<u>18,832,827</u>	<u>13,363,085</u>

Source: Basic financial statements

2002 was the year GASB Statement 34 was implemented.

**CITY OF CHESTERFIELD, MISSOURI**  
**Fund Balances, Governmental Funds**  
**Last Six Fiscal Years**

	December 31					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005 (2)(3)</u>	<u>2006</u>	<u>2007</u>
General Fund:						
Reserved	\$ 277,809	314,738	364,560	275,267	292,748	309,602
Unreserved	12,072,726	11,244,722	10,817,879	11,996,698	12,458,806	14,176,375
Total General Fund	<u>\$ 12,350,535</u>	<u>11,559,460</u>	<u>11,182,439</u>	<u>12,271,965</u>	<u>12,751,554</u>	<u>14,485,977</u>
All other governmental funds:						
Reserved	\$ -	-	-	225	2,330	-
Unreserved, reported in:						
Special Revenue Funds	22,317,105	21,811,714	23,147,435	23,265,228	24,330,552	13,447,429
Capital Project Funds	3,452	-	-	20,465,583	17,217,974	13,886,084
Debt Service Funds	9,513,950	9,751,696	8,388,403	24,695,143	28,515,584	19,653,766
Total all other governmental funds	<u>\$ 31,834,507</u>	<u>31,563,410</u>	<u>31,535,838</u>	<u>68,426,179</u>	<u>70,066,440</u>	<u>46,987,279</u>

Source: Basic financial statements.

- (1) The City began to report full accrual information in 2002 when it implemented GASB Statement No. 34. Ten years of data will be reported as it is accumulated.
- (2) In 2005, the City issued certificates of participation for parks. The proceeds were deposited in the Parks Construction Fund and the Capital Project Fund. This presented the substantial increase in unreserved fund balance for Capital Project Funds.
- (3) In 2005, the City crossover refunded the general obligation bonds for streets and sidewalks. The proceeds from bonds Series 2005 was presented as cash refunding escrow.

Table 4

**CITY OF CHESTERFIELD, MISSOURI**  
**Changes in Fund Balances, Governmental Funds**  
**Last Six Fiscal Years**

	For the years ended December 31					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>REVENUES</b>						
Municipal taxes	\$ 23,810,751	26,088,776	27,821,141	33,643,318	43,693,416	29,088,401
Licenses and permits	1,052,996	1,115,271	1,223,489	1,276,560	1,379,243	1,941,746
Intergovernmental	3,717,677	5,454,920	4,347,485	4,683,411	4,199,971	5,136,608
Charges for services, net	589,478	557,289	593,756	908,601	1,057,308	1,208,166
Court fines and forfeitures	836,305	751,382	811,406	876,978	886,948	991,696
Investment income, net arbitrage	987,111	346,057	524,489	2,020,949	3,211,400	3,098,986
Miscellaneous	398,475	482,723	319,757	874,166	244,591	529,255
Total revenues	<u>31,392,793</u>	<u>34,796,418</u>	<u>35,641,523</u>	<u>44,283,983</u>	<u>54,672,877</u>	<u>41,994,858</u>
<b>EXPENDITURES</b>						
Government	2,447,091	2,291,412	2,300,146	2,301,756	2,460,393	2,658,362
Police services	6,393,749	6,411,744	6,494,154	6,693,967	6,884,131	7,283,151
Judicial	172,506	170,479	176,164	183,888	181,150	189,993
Planning and zoning	616,432	578,545	587,488	568,524	636,259	636,912
Public works	10,738,816	9,158,419	8,967,526	8,375,518	9,682,059	6,773,775
Parks and recreation	1,237,505	1,251,006	1,417,304	3,669,292	2,768,369	2,848,683
Capital outlay	7,243,084	6,161,779	4,312,287	12,071,186	9,306,321	11,316,516
Debt service:						
Principal	7,187,714	8,048,468	8,523,797	12,023,986	15,804,389	27,547,419
Interest and fiscal charges	2,780,020	4,525,739	5,688,028	5,186,436	5,289,874	4,240,900
Cost of issuance	906,064	-	344,757	671,131	-	-
Total expenditures	<u>39,722,981</u>	<u>38,597,591</u>	<u>38,811,651</u>	<u>51,745,684</u>	<u>53,012,945</u>	<u>63,495,711</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,330,188)</u>	<u>(3,801,173)</u>	<u>(3,170,128)</u>	<u>(7,461,701)</u>	<u>1,659,932</u>	<u>(21,500,853)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from borrowing	6,520,494	2,629,417	18,540,298	44,384,395	299,688	-
Proceeds from refunding	50,780,542	-	654,262	945,638	-	-
Sale of capital assets	177,094	109,584	65,975	111,535	160,230	156,115
Payments to escrow agent	(39,065,314)	-	(16,495,000)	-	-	-
Transfers in	13,053,101	29,354,033	28,962,676	36,987,211	28,658,350	24,786,853
Transfers out	(13,053,101)	(29,354,033)	(28,962,676)	(36,987,211)	(28,658,350)	(24,786,853)
Total other financing source (uses)	<u>18,412,816</u>	<u>2,739,001</u>	<u>2,765,535</u>	<u>45,441,568</u>	<u>459,918</u>	<u>156,115</u>
Net change in fund balances	<u>\$ 10,082,628</u>	<u>(1,062,172)</u>	<u>(404,593)</u>	<u>37,979,867</u>	<u>2,119,850</u>	<u>(21,344,738)</u>
Debt service as a percentage of noncapital expenditures	32.67%	36.86%	41.77%	44.79%	47.10%	62.90%

(1) The City began to report full accrual information in 2002 when it implemented GASB 34. Ten years of data will be reported as it is accumulated.

Source: Revenues from governmental funds and expenditures from required supplementary information

Table 5

**CITY OF CHESTERFIELD, MISSOURI**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

<u>Fiscal Year</u>	<u>Real Property</u>			<u>Personal Property</u>	<u>Railroad and Utilities</u>	<u>Total Taxable Assessed Total</u>	<u>Total Direct Tax Rate</u>
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Agricultural Property</u>				
1999	\$ 761,919	\$ -	\$ -	\$ 181,320	\$ 14,492	\$ 957,731	0.13
2000	839,087	-	-	193,552	14,431	1,047,070	0.13
2001	896,862	-	-	225,781	15,328	1,137,971	0.10
2002	1,023,122	-	-	235,079	17,702	1,275,903	0.06
2003	1,047,229	-	-	242,743	18,849	1,308,821	0.06
2003	813,951	296,483	1,657	232,851	14,350	1,359,292	0.06
2004	830,445	301,374	1,656	230,121	14,332	1,377,928	0.06
2005	933,248	352,577	1,622	246,081	14,784	1,548,312	0.06
2006	944,720	371,196	1,620	262,980	15,279	1,595,795	0.06
2007	1,153,500	452,116	1,442	271,041	15,186	1,893,285	0.06

Notes: 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) The City participates in the county-wide sales tax sharing pool, therefore, sales tax is not the City's own source revenue.

Table 6

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Taxes levied on all property in the City:										
City of Chesterfield	0.130	0.130	0.100	0.060	0.060	0.060	0.060	0.060	0.060	0.060
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
St. Louis County	0.580	0.580	0.580	0.580	0.580	0.580	0.580	0.558	0.558	0.558
Special School District	0.640	0.620	0.623	0.835	0.849	0.864	0.905	0.840	0.824	0.908
St. Louis Community College	0.240	0.240	0.240	0.230	0.232	0.231	0.237	0.223	0.223	0.200
St. Louis County Library	0.140	0.140	0.140	0.140	0.140	0.140	0.150	0.150	0.150	0.150
Metropolitan St. Louis Sewer District (Extension)	0.020	0.020	0.020	0.019	0.019	0.019	0.019	0.019	0.019	0.014
Metropolitan Zoological Park and Museum District	0.232	0.227	0.232	0.222	0.222	0.226	0.276	0.265	0.261	0.233
Sheltered Workshop	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.082	0.085	0.085
Total	<u>2.097</u>	<u>2.072</u>	<u>2.050</u>	<u>2.201</u>	<u>2.217</u>	<u>2.235</u>	<u>2.342</u>	<u>2.227</u>	<u>2.210</u>	<u>2.238</u>
School districts (2):										
Parkway	3.640	3.660	3.590	3.603	3.455	3.511	3.692	3.709	3.641	3.733
Rockwood	4.490	4.520	4.480	4.525	4.421	4.439	4.633	4.507	4.418	3.999
Fire protection districts (3):										
Metro West	1.030	1.030	1.030	1.021	0.972	0.997	1.098	1.028	1.091	1.001
Monarch	1.030	1.040	1.020	1.019	0.995	0.979	1.067	1.061	1.060	0.988

## Notes:

- (1) The City levied property tax in 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 7

**CITY OF CHESTERFIELD, MISSOURI**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(dollars in thousands)**

<u>Taxpayer</u>	<u>2007</u>			<u>1998</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
THF Chesterfield Development LLC	\$ 45,753	1	2.42%	\$ -		0.00%
Pfizer, Inc.	35,474	2	1.87%	-		0.00%
Pharmacia	21,254	3	1.12%	-		0.00%
WEA Chesterfield LLC	21,107	4	1.11%	-		0.00%
FSP Timberlake Corp.	18,269	5	0.96%	-		0.00%
AmerenUE	12,515	6	0.66%	-		0.00%
Chesterfield Village, Inc.	12,188	7	0.64%	-		0.00%
Dierbergs Four Seasons/Chesterfield Village	9,647	8	0.51%	-		0.00%
Scott Family Properties	9,291	9	0.49%	-		0.00%
NNN One Chesterfield Place LLC	8,121	10	0.43%	-		0.00%
Monsanto Company	-		-	27,358	1	2.86%
JG St. Louis West Limited Liability Co. Gal.	-		-	15,976	2	1.67%
Union Electric Company	-		-	11,990	3	1.25%
Dierberg's	-		-	7,063	4	0.74%
St. Lukes Episcopalian Presbyterian Hospital	-		-	6,976	5	0.73%
Caplaco Inc.	-		-	6,411	6	0.67%
Wild Horse Joint Venture	-		-	5,914	7	0.62%
May Department Stores	-		-	5,904	8	0.62%
Corporate Plaza Management	-		-	5,141	9	0.54%
Dillard Department Stores	-		-	5,106	10	0.53%
Total	<u>\$ 193,619</u>		<u>10.21%</u>	<u>\$ 97,839</u>		<u>10.22%</u>

Source: St. Louis County Department of Collection

Table 8

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

<u>Fiscal Year Ended December 31</u>	<u>Tax Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
1998	\$ 2,187	\$ 1,937	88.6 %	\$ 141	\$ 2,078	95.0 %
1999	3,302	2,806	85.0	144	2,950	89.3
2000	5,425	4,925	90.8	380	5,305	97.8
2001	7,069	6,451	91.3	152	6,603	93.4
2002	7,257	6,556	90.3	(3)	6,553	90.3
2003	8,169	7,740	94.7	613	8,352	102.2
2004	9,160	8,657	94.5	534	9,190	100.3
2005	12,158	8,786	72.3	164	8,950	73.6
2006	13,365	13,083	98.5	2,685	15,768	118.8
2007 (1)	1,042	909	87.2	37	946	90.8

Source: St. Louis County - Collector of Revenue

(1) Taxes levied prior to 2007 included Tax Increment Financing levies.

**CITY OF CHESTERFIELD, MISSOURI**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(dollars in thousands, except per capita)**

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income (4)	Per Capita
	General Obligation Bonds (2)	Tax Increment Notes	Tax Increment Bonds	Lease Revenue Bonds (3)	Less - Reserve for Debt Service			
1998	\$ 23,125	\$ 3,403	\$ -	\$ 2,680	\$ (1,072)	\$ 28,136	2.37 %	665
1999	36,405	31,179	-	2,575	(1,473)	68,686	3.75	1,623
2000	35,470	33,758	-	20,035	(1,766)	87,497	4.32	2,067
2001	34,175	34,710	-	19,920	(1,680)	87,125	4.30	1,862
2002	32,805	1,100	50,791	19,575	(1,570)	102,701	5.26	2,194
2003	31,365	3,571	45,020	19,050	(1,416)	97,590	4.81	2,085
2004	29,840	5,951	38,885	18,440	(1,374)	91,742	4.35	1,960
2005	46,010	6,376	29,335	43,135	(1,075)	123,781	5.72	2,645
2006	44,350	6,132	16,650	42,220	(1,059)	108,293	4.84	2,314
2007	34,990	5,574	-	41,240	(1,508)	80,296	3.49	1,716

- Notes: (1) Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.  
(2) In 2005, the City issued crossover refunding bonds of \$17,760,000 for street and sidewalks.  
(3) In 2005, the City issued certificates of participation of \$25,710,000 for parks.  
(4) See Table 14 for personal income and population data.

**CITY OF CHESTERFIELD, MISSOURI**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(dollars in thousands, except per capita)**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Redevelopment Bonds	Total		
1998	\$ 23,125	\$ -	\$ 23,125	2.41 %	546
1999	36,405	-	36,405	3.48	860
2000	35,470	-	35,470	3.12	838
2001	34,175	-	34,175	2.68	730
2002	32,805	50,791	83,596	6.39	1,786
2003	31,365	45,020	76,385	5.62	1,632
2004	29,840	38,885	68,725	4.99	1,468
2005	46,010	35,995	82,005	5.30	1,752
2006	44,350	16,650	61,000	3.82	1,303
2007	34,990	-	34,990	1.85	748

- Notes: (1) Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.  
(2) See Table 5 for property value data.  
(3) See Table 14 for population data.

**CITY OF CHESTERFIELD, MISSOURI**  
**Net Assets by Component**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2007**  
**(dollars in thousands)**

Table 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
St. Louis County	\$ 78,010	7.05 %	\$ 5,500
Parkway School District (1)	112,796	24.58	27,725
Rockwood School District (1)	154,325	17.35	26,775
Monarch Fire Protection District (1)	2,875	73.47	2,112
Metro-West Fire Protection District	6,910	72.90	5,037
Subtotal, overlapping debt			<u>67,149</u>
City direct debt	34,990	100.00	<u>34,990</u>
Total direct and overlapping debt			<u><u>\$ 102,139</u></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.

**CITY OF CHESTERFIELD, MISSOURI**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

	December 31									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$ 95,773	104,707	113,797	127,590	130,882	135,929	137,792	154,831	159,710	189,328
Total net debt applicable to limit	<u>73,720</u>	<u>34,932</u>	<u>80,094</u>	<u>32,495</u>	<u>34,375</u>	<u>29,949</u>	<u>28,466</u>	<u>44,935</u>	<u>43,291</u>	<u>33,713</u>
Legal debt margin	<u>\$ 22,053</u>	<u>69,775</u>	<u>33,703</u>	<u>95,095</u>	<u>96,507</u>	<u>105,980</u>	<u>109,326</u>	<u>109,896</u>	<u>116,419</u>	<u>155,615</u>
 Total net debt applicable to the limit as a percentage of debt limit	 76.97 %	 33.36	 70.38	 25.47	 26.26	 22.03	 20.66	 29.02	 27.11	 17.81

Legal debt margin calculation for fiscal year 2007:

Assessed value	<u>\$ 1,893,285</u>
Debt limit (10% of assessed value)	<u>\$ 189,328</u>
Debt applicable to limit	<u>33,713</u>
Legal debt margin	<u>\$ 155,615</u>

Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

**CITY OF CHESTERFIELD, MISSOURI**  
**Pledged-Revenue Coverage**  
**Last Six Fiscal Years**

Fiscal Year	TIF Refunding and Improvement Bonds (1)							Park Sales Tax Bonds (2)					
	TIF Sales Tax	TIF Property Tax	Less Operating Expense	Net Available Revenue	Debt Service		Coverage	Park Sales Tax	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
					Principal	Interest					Principal	Interest	
2002	\$3,068,751	\$5,813,966	\$ 1,030,281	\$ 7,852,436	\$ -	\$ 939,762	8.36	\$ -	\$ -	\$ -	\$ -	\$ -	-
2003	3,623,110	7,648,644	1,741,524	9,530,230	5,925,000	1,930,577	1.21	-	-	-	-	-	-
2004	4,110,227	8,362,410	2,792,932	9,679,705	6,135,000	1,834,414	1.21	-	-	-	-	-	-
2005	5,839,775	8,099,493	4,154,206	9,785,062	9,550,000	1,814,049	0.86	3,422,207	1,838,647	1,583,560	-	920,046	1.72
2006	7,550,517	14,837,448	5,468,532	16,919,433	2,980,000	1,721,609	3.60	4,907,397	4,179,091	728,306	440,000	1,089,528	0.48
2007	-	-	-	-	-	-	-	5,179,120	4,083,957	1,095,163	495,000	1,076,329	0.68

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

- (1) TIF Revenue Bonds are backed by sales and property taxes in the Chesterfield Valley. During 2007, the TIF Bonds were retired.
- (2) Park sales tax bonds are backed by the sales tax revenue produced by the sales tax rate in effect when the bonds were issued (1/2-cent) applied to the increase in retail sales in the City.

**CITY OF CHESTERFIELD, MISSOURI**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	School Enrollment		Unemployment Rate
				Parkway School District	Rockwood School District	
1998	42,325	\$ 1,185,904	\$ 28,019	20,661	21,553	4.2 %
1999	42,325	1,832,165	43,288	20,542	21,114	3.5
2000	42,325	2,025,965	47,867	20,193	21,034	3.5
2001	46,802	2,025,965	43,288	19,849	20,924	4.6
2002	46,802	1,951,550	41,698	19,657	20,511	5.4
2003	46,802	2,030,832	43,392	19,304	20,063	5.8
2004	46,802	2,110,817	45,101	18,904	19,725	5.9
2005	46,802	2,165,698	46,274	18,273	19,583	5.5
2006	46,802	2,237,166	47,801	18,787	22,174	4.6
2007	46,802	2,299,807	49,727	17,717	22,185	4.9

Source: Population and per capita personal income data for the City using the U.S. Census Bureau data for the area and Bureau of Economic Analysis for St. Louis County.

School enrollment information provided by Parkway and Rockwood School Districts.

Unemployment rate using U.S. Department of Labor, Bureau of Labor Statistics.

Note: Per capita personal income for year 2006 using consumer price index for midwest state as a percent change from 2005.

## CITY OF CHESTERFIELD, MISSOURI

## Principal Employers

## Current Year and Nine Years Ago

Employer	2007			1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. Lukes Hospital	3,350	1	8.90 %	*n/a	-	*n/a %
Rockwood School District	3,228	2	8.57	*n/a	-	*n/a
Parkway School District	3,200	3	8.50	*n/a	-	*n/a
Pfizer	1,200	4	3.19	1,700	1	7.86
McBride & Sons Management Co.	800	5	2.12	530	2	2.45
Amdocs, Inc.	500	6	1.33	-	-	-
Reinsurance Group of America Inc.	582	7	1.55	-	-	-
Rose International	750	8	1.99	450	3	2.08
North American Communications Resource, Inc.	300	9	0.80	-	-	-
Mark Andy Inc.	305	10	0.81	298	7	1.38
WorldCom Network Services, Inc.	-	-	-	445	4	2.06
Macy's	-	-	-	300	5	1.39
Mallinckrodt, Inc.	-	-	-	342	6	1.58
West County Family YMCA	-	-	-	325	8	1.50
Missouri Higher Education Latin Authority	-	-	-	263	9	1.22
Dillard's	-	-	-	210	10	0.97
Total	<u>14,215</u>		<u>37.77 %</u>	<u>4,863</u>		<u>22.69 %</u>

Source: Business License database from Finance Division

\*Employment information for St. Lukes Hospital, Rockwood School District, and Parkway School District is not available at this time.

**CITY OF CHESTERFIELD, MISSOURI**  
**Full-time Equivalent City Government Employees by Functions/Programs**  
**Last Ten Fiscal Years**

<u>Functions/Programs</u>	<u>Full-time Equivalent Employees as of December 31</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General government:										
Elected officials	9	9	8	9	9	9	9	9	9	9
City Administrator	2	2	2	2	2	2	2	2	2	2
Community development	-	-	-	-	-	-	-	2	2	1
Customer service	4	4	3	4	5	4	4	5	5	3
Finance	4	5	6	6	6	6	6	6	7	7
Information systems	4	3	2	4	4	4	3	3	3	3
Court	2	2	3	3	3	3	3	3	3	3
Planning	11	10	9	11	11	10	11	9	12	11
Police:										
Officers	78	83	86	86	84	86	80	79	83	86
Civilians	8	9	9	9	10	10	10	9	9	10
Public works:										
Engineering	13	13	16	14	16	16	16	15	16	17
Street maintenance	41	31	36	38	35	36	31	27	31	30
Vehicle maintenance	4	5	5	5	5	5	5	5	5	5
Building maintenance	-	-	-	1	6	6	6	6	6	6
Parks and recreation	3	8	10	11	12	12	18	22	24	26
Total	<u>183</u>	<u>184</u>	<u>195</u>	<u>203</u>	<u>208</u>	<u>209</u>	<u>204</u>	<u>202</u>	<u>217</u>	<u>219</u>

Source: Payroll Report, Finance Department

**CITY OF CHESTERFIELD, MISSOURI**  
**Operating Indicators by Functions/Programs**  
**Last Ten Fiscal Years**

Functions/Programs	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police:										
Adult arrests	1,353	1,530	1,430	1,422	1,258	1,268	1,071	1,146	994	1,099
Juvenile arrests	352	360	341	474	418	378	277	343	262	281
Parking violations	724	1,075	661	477	449	429	475	420	487	374
Traffic violations	8,418	9,373	10,451	10,226	9,935	8,409	8,499	9,104	9,491	9,183
Non-traffic ordinance violations	1,383	1,709	1,624	1,689	1,585	1,636	1,580	1,158	863	1,703
Public works:										
Street work orders completed	236	194	121	121	49	79	106	526	47	94
Sidewalk work orders completed	244	96	165	1,105	160	471	418	145	224	516
Tree trimming work orders completed	566	309	482	485	428	584	724	647	714	840
Storm sewer repairs	144	103	73	91	91	64	58	34	33	42
Sewer lateral repairs (1)	-	-	-	90	88	84	65	63	73	100
Handicap accessible sidewalk ramps installed (2)	29	10	-	39	10	44	21	15	23	18
Parks and recreation:										
Athletic field rental hours (3)	-	-	3,225	6,228	8,109	9,909	10,195	12,365	14,305	14,160
Aquatic Center admissions (4)	29,278	35,838	37,268	40,844	40,551	29,275	28,977	38,439	40,834	56,499
Planning:										
Zoning approvals for construction	1,143	1,321	1,428	1,204	1,277	1,609	1,392	1,471	1,223	1,192
Building permits for new construction	846	836	938	849	867	1,024	985	981	779	157
Building permits for alterations/additions	2,799	2,977	3,261	3,010	3,163	4,093	4,176	4,416	4,491	4,824
Finance and administration:										
Business licenses issued	1,425	1,508	1,503	1,608	1,479	1,723	2,189	2,010	1,902	2,293
Vending licenses issued	864	814	879	943	931	901	978	1,005	953	773
Liquor licenses issued	139	170	178	200	95	212	237	117	125	262
Solicitor licenses issued	32	28	30	30	36	37	32	26	30	70

Notes: (1) The sewer lateral program was not in effect until January 1, 2001.

(2) In the year 2000, CDBG funds normally used for the installation of handicap accessible sidewalk ramps were used to make the City of Chesterfield Athletic Complex handicap accessible.

(3) The City of Chesterfield Athletic Complex was not open until 2000.

(4) The City of Chesterfield Aquatic Center was not open until 1998.

Sources: City of Chesterfield Annual Reports (1998-2007), City of Chesterfield Annual Budgets (1998-2007), various City departments

**CITY OF CHESTERFIELD, MISSOURI**  
**Capital Asset Statistics by Functions/Programs**  
**Last Ten Fiscal Years**

Functions/Programs	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sectors	6	6	6	6	6	6	6	6	6	6
Marked patrol units	26	26	26	26	26	27	30	30	30	32
Public works:										
Streets (miles)	150	150	150	150	161	161	161	161	163	167
Streetlights	10	10	10	10	10	10	10	10	10	184
Parks and recreation:										
Acreage	200	200	200	200	200	200	200	254	293	293
Playgrounds	-	1	1	2	3	3	3	3	3	3
Baseball/softball diamonds	-	4	12	12	14	24	24	25	27	27
Soccer fields	-	7	7	7	7	7	7	9	9	9
Football fields	-	-	-	-	-	-	-	2	7	7
Multi-purpose fields	-	-	-	-	-	-	-	-	2	2
Athletic Complex	-	1	1	1	1	1	1	1	1	1
Aquatic Center	1	1	1	1	1	1	1	1	1	1

Note: No capital asset indicators are available for the Planning or Finance and Administration functions.

Source: City of Chesterfield Annual Reports (1998-2007), City of Chesterfield Annual Budgets (1998-2007), various City departments



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