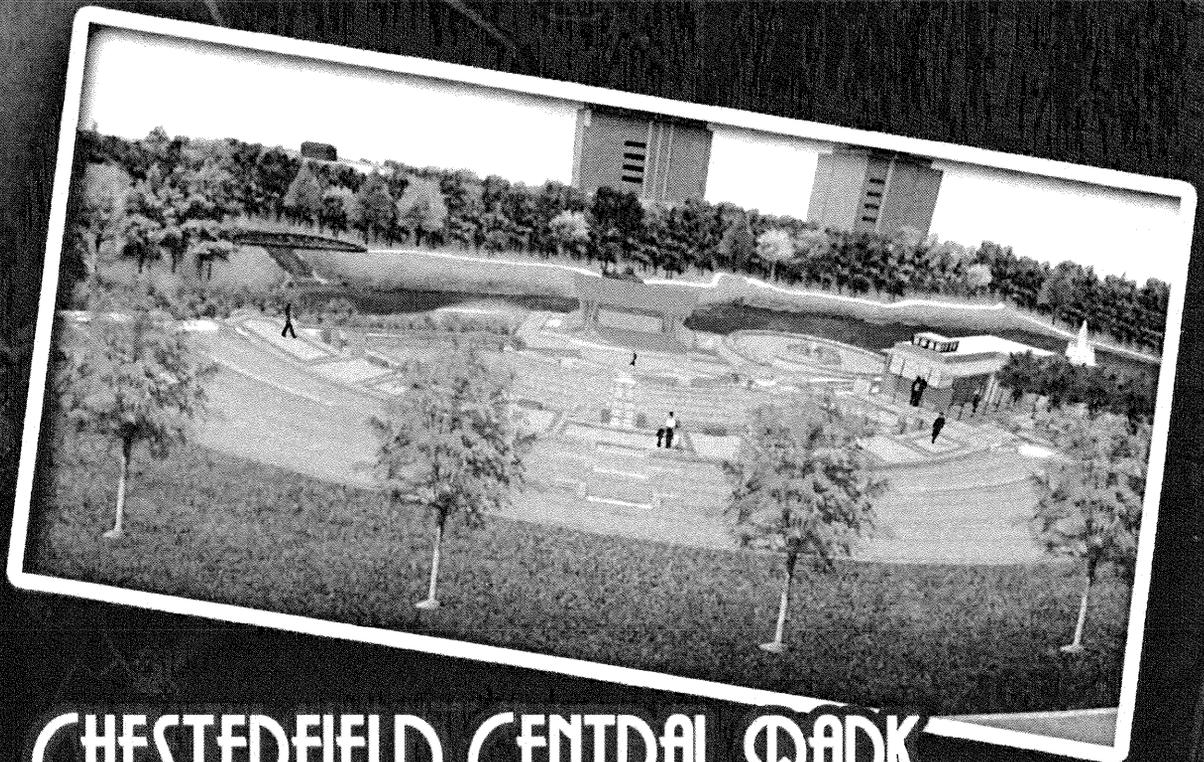
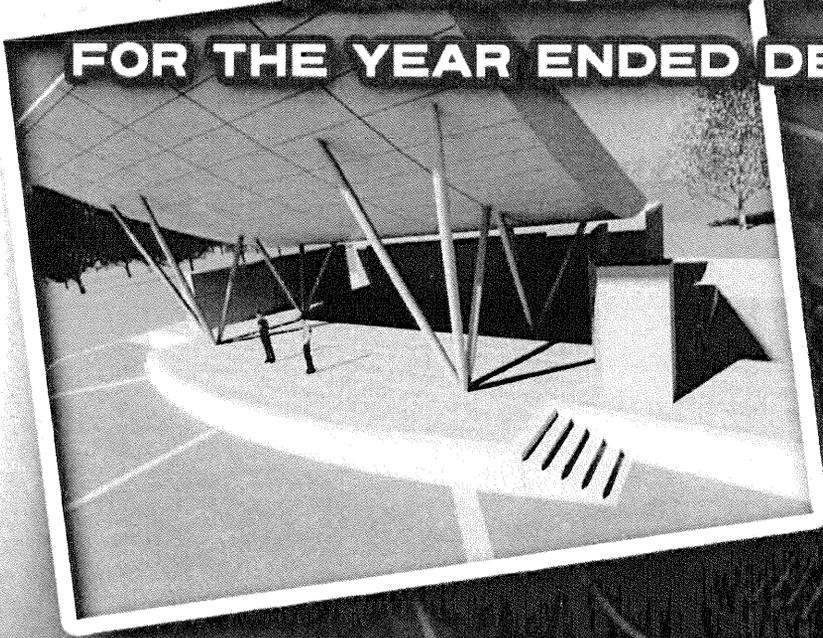


# CITY OF CHESTERFIELD, MISSOURI

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010



### CHESTERFIELD CENTRAL PARK

**CITY OF CHESTERFIELD, MISSOURI**

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2010

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Report prepared and submitted by the  
Finance and Administration Department

**CITY OF CHESTERFIELD, MISSOURI**

## Comprehensive Annual Financial Report

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## **Introductory Section**

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June 20, 2011

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, 2010. This year's CAFR is the eighth 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, 2010 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, 2010 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 47,484 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. At the direction of the City Administrator, the Director of Finance and Administration uses these requests as the starting point for developing a rough draft of the proposed budget. The City Administrator then interacts with all department heads to review/discuss those initial requests and to review revenue projections with the Director of Finance and Administration. The City Administrator is ultimately responsible for completing the proposed budget and forwarding it to the Mayor and City Council for discussion and ultimate approval. 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. Department heads may make transfers of appropriations within a department for amounts up to \$2,500 with prior approval by the Director of Finance and Administration. Transfers within departmental budgets ranging from \$2,500 to \$5,000 can be made with prior approval by the Director of Finance and Administration and City Administrator. Transfers within departmental budgets over \$5,000 may be made only with prior approval of a majority of the City Council. Transfers of appropriations between departments, however, require the 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 beginning on page 45 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 48 and comparisons for the budgeted nonmajor Special Revenue and Debt Service Funds are found in other supplementary information which begins on page 56.

## **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 experienced slightly decreased economic activity in 2010 compared to 2009. Despite the slight decrease, THF Realty is filling mid-box space previously occupied by Circuit City with the addition of a Big Lots discount store. Additionally, they will be building two new retail facilities on the only green-space left in the two-mile long power center, between Lowe's and Home Depot. Aldi's is entering the market with a new grocery store and Gordman's department store will be constructing a facility there as well, though relocating from within the existing market. Verizon will be relocating 100 positions from the City of Weldon Spring to the UBS building on Chesterfield Airport Road in 2011, which should have a significant impact on daytime population and spending. Additionally, there are solid prospects for the construction of new businesses the north side of I-64, near the Boone's Crossing intersection. Lead generation picked up during the third and fourth quarter of 2010, which could result in local expansions and new construction with the addition of high tech and light manufacturing jobs in 2011.

The City also has a strong retail base with 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, 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. The City's assessed valuation of \$1,876,131,525 as of January 1, 2010 was an increase of 303% from \$465,549,049 as of January 1, 1988, the time of the City's incorporation. Construction of new homes rose slightly, with 75 permits issued for new construction in 2010 from 50 permits in 2009. The homes were built in The Reserve at Chesterfield Village and in the Brunhaven, Kendall Bluffs, and Paddington Hill subdivisions. Senior living facilities continue to expand in the area, following the national trend for an aging population.

**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 which were refunded in 2007. In

addition, the sales tax will be used to fund major street and sidewalk improvements in the future. It is anticipated that approximately \$3 million 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 through 2010, the City worked on purchasing park land and constructing amenities such as the new Chesterfield Amphitheater 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.

**Debt Administration.** At year-end the City had eight debt issues outstanding. These issues include \$4,170,000 in general obligation bonds for parks, \$990,000 in certificates of participation related to the construction of a Public Works Facility, \$13,475,000 in certificates of participation related to the City Hall, \$15,155,000 in general obligation bonds for streets and sidewalks, \$22,895,000 in certificates of participation for parks from 2005, and \$13,775,000 in certificates of participation for park and recreation improvements from 2008 and 2009.

**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. In 2010 the City Council decided to provide all eligible employees with an additional 0.5% of their payroll and a one-time 0.89% contribution from forfeitures. The City's contribution for 2010 was \$1,048,117 or approximately 9.5% of covered payroll. Total covered payroll for the year was \$11,088,372 or 92% of the total City payroll of \$12,024,161.

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, 2009. This was the 20th 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 2010. This was the 20th 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.

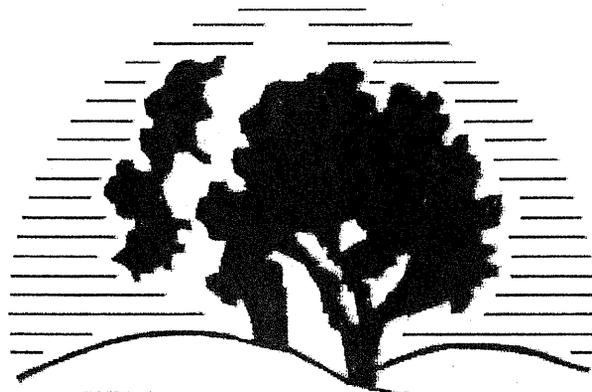
Respectfully submitted,



Michael G. Herring  
City Administrator



Kelly L. Vaughn  
Director of Finance & Administration



**E** City of  
Chesterfield

*690 Chesterfield Parkway West  
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, 2009

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.



President

Executive Director

**CITY OF CHESTERFIELD, MISSOURI**  
City Officials

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**ACTING MAYOR**

Barry Flachsbart

**COUNCIL MEMBERS**

**Ward 1:**

Barry Flachsbart

Matt Segal

**Ward 2:**

Bruce Geiger

Lee Erickson

**Ward 3:**

Michael Casey

Randy Logan

**Ward 4:**

Connie Fults

Robert Nation

**CITY ADMINISTRATOR**

Michael G. Herring

**DIRECTOR OF FINANCE AND  
ADMINISTRATION**

Kelly L. Vaughn

**CITY CLERK**

Judy Naggiar

**POLICE CHIEF**

Ray Johnson

**DIRECTOR OF PLANNING,  
PUBLIC WORKS, AND PARKS**

Michael O. Geisel

**CITY ATTORNEY**

Robert M. Heggie

**JUDGE**

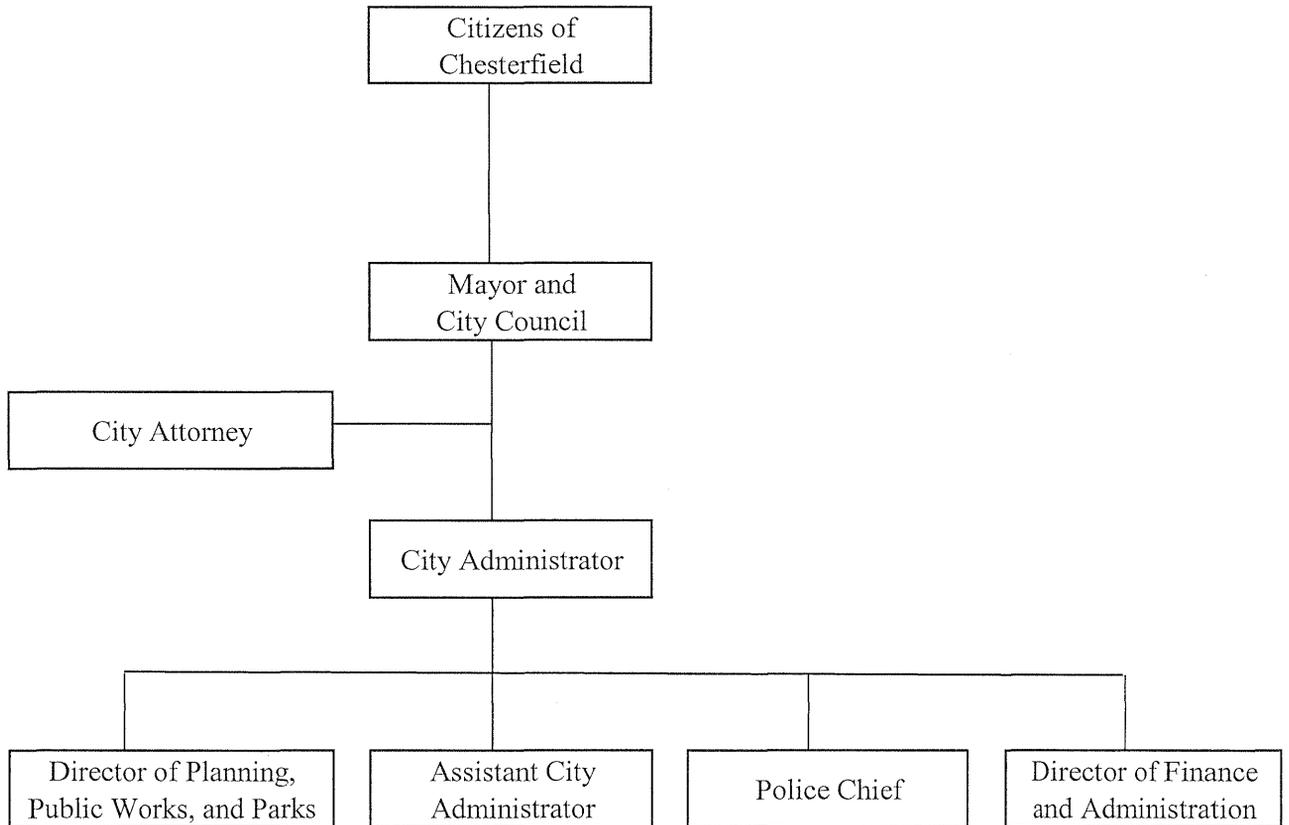
Richard K. Brunk

**PROSECUTING ATTORNEY**

Tim Engelmeyer

# City of Chesterfield, Missouri

## Organizational Chart 2010

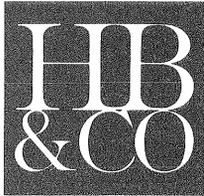


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**Financial Section**

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

## INDEPENDENT AUDITORS' REPORT

June 20, 2011

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, 2010, 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, 2010, and the respective changes in financial position thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial report-

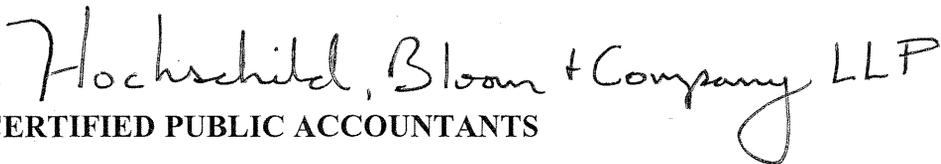
- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

ing and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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. 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.

  
CERTIFIED PUBLIC ACCOUNTANTS

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2010**

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, 2010. 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 \$161,679,783. The City has unrestricted net assets totaling \$13,361,354.
- General revenues for governmental activities were \$25,463,607, which included \$24,639,810 (96.8%) in sales, gross receipts, and sewer lateral taxes. Property taxes accounted for \$481,418 (1.9%) of general revenues.
- Net expense from the various functions of governmental activities was \$15,922,103. General government was \$2,522,646 (15.8%), public works was \$934,540 (5.9%), public safety was \$7,693,005 (48.3%), parks and recreation was \$1,206,029 (7.6%), developmental services was \$729,214 (4.6%), planning was \$669,033 (4.2%), and community development was \$209,657 (1.3%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$28,034,218, a decrease of \$8,844,559 in comparison with the prior year. Approximately 45.8% of this total amount or \$12,852,988 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 \$13,026,230 (63.8%) of total General Fund expenditures.
- The City's total debt decreased by \$4,190,000 (5.9%) during the current fiscal year due to normal payments.

**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 supplemental information and other supplemental 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, 2010**

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, developmental services, 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 23 and 24 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, Parks Sales Tax Fund, Capital Improvement Sales Tax Trust Fund, and the Parks Construction 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 supplemental information section in this report.

The City adopts an annual appropriated budget for its General Fund, Parks Sales Tax Special Revenue Fund, Capital Improvement Sales Tax Trust Special Revenue Fund, Sewer Lateral Special Revenue Fund, Chesterfield Valley Tax Increment Financing Special Revenue Fund, Parks 1998 Debt Service Fund, Public Works Facility 1995 and 2002 Debt Service Fund, City Hall Debt Service Fund, Parks Phase I & II Debt Service Fund, R&S Debt Service Fund, and

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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 25 through 28 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 29 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 30 through 44 of this report.

### **Required Supplemental Information**

In addition to the basic financial statements and accompanying notes, certain required supplemental information can be found on pages 45 through 50 of this report.

### **Other Supplemental Information**

The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 51 through 66 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 \$161,679,783 increased in 2010 by approximately 6.3% as compared to the previous year.

At the end of 2010, the City had positive balances in all three categories of net assets.

The largest portion of the City's net assets, \$133,596,730 in 2010 (an increase of approximately 10.0% from 2009), 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.

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		<b>Governmental Activities</b>	
		<b>December 31</b>	
		<b>2010</b>	<b>2009</b>
<b>Assets</b>			
Current and other assets	\$	33,484,388	41,186,242
Capital assets, not depreciated		122,986,793	110,448,824
Capital assets, net		82,191,217	80,567,424
Total assets		238,662,398	232,202,490
<b>Liabilities</b>			
Long-term liabilities		72,297,224	76,617,638
Other liabilities		4,685,391	3,446,573
Total liabilities		76,982,615	80,064,211
<b>Net Assets</b>			
Invested in capital assets, net of related debt		133,596,730	121,457,371
Restricted		14,721,699	16,484,472
Unrestricted		13,361,354	14,196,436
Total net assets	\$	161,679,783	152,138,279

An additional portion of the City's net assets, \$14,721,699 in 2010, 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 \$13,361,354 in 2010 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 \$9,541,504. Key elements of this are as follows:

**City of Chesterfield, Missouri**  
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	<b>Governmental Activities</b>	
	<b>For the years</b>	
	<b>ended December 31</b>	
	<b>2010</b>	<b>2009</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 3,258,018	3,254,246
Operating grants and contributions	5,815,138	5,094,736
Capital grants and contributions	7,659,799	2,202,831
General revenues:		
Taxes	25,121,228	25,899,773
Investment income	236,571	522,906
Miscellaneous	105,808	86,970
Total revenues	42,196,562	37,061,462
<b>Expenses</b>		
General government	3,219,111	3,239,574
Parks and recreation	4,735,969	4,529,859
Judicial	260,387	221,809
Planning	693,488	733,341
Developmental services	729,214	854,705
Public works	11,437,429	14,701,716
Public safety	8,275,428	8,309,249
Community development	209,657	246,792
Interest and fiscal charges	3,094,375	2,932,036
Total expenses	32,655,058	35,769,081
Changes in net assets	9,541,504	1,292,381
Net assets - beginning of year	152,138,279	150,845,898
Net assets - end of year	\$ 161,679,783	152,138,279

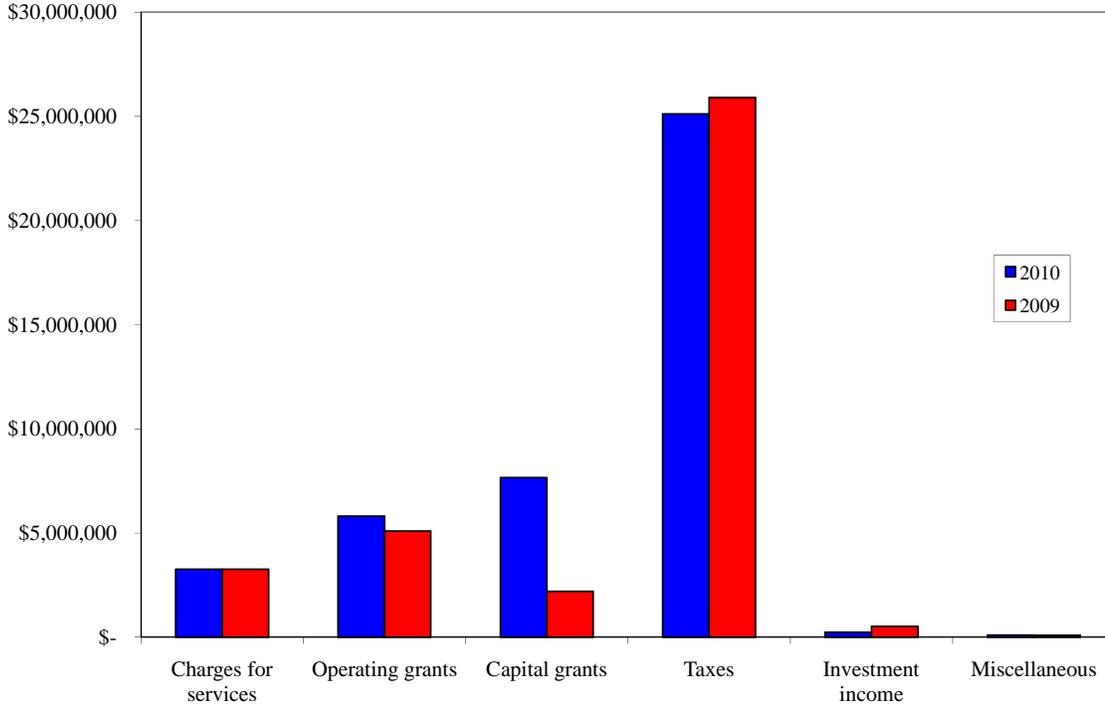
**Changes in Net Assets**

In 2010 the City's total revenues on a government-wide basis was \$42,196,562, an increase of \$5,135,100 as compared to 2009. This increase was primarily attributable to a capital donation in 2010.

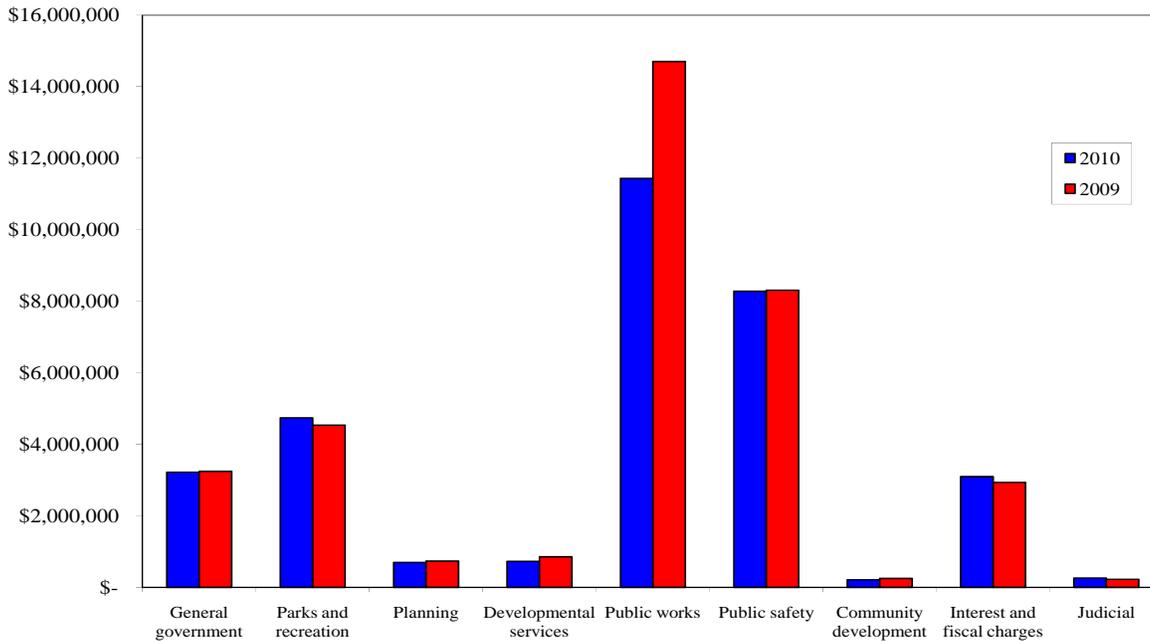
Total revenues increased \$5,135,100 (13.9%) from last year and total expenses decreased significantly \$3,114,023 (8.7%) from last year. As a result of the expenditure decrease and capital donations, the change in net assets had an increase of \$8,249,123 (638.3%).

**CITY OF CHESTERFIELD, MISSOURI**  
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**City of Chesterfield, Missouri**  
**Revenues by Source Comparison**

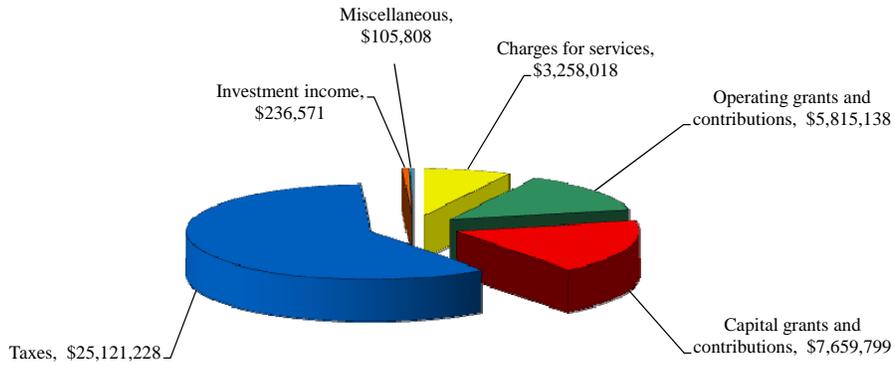


**City of Chesterfield, Missouri**  
**Expenses by Function Comparison**

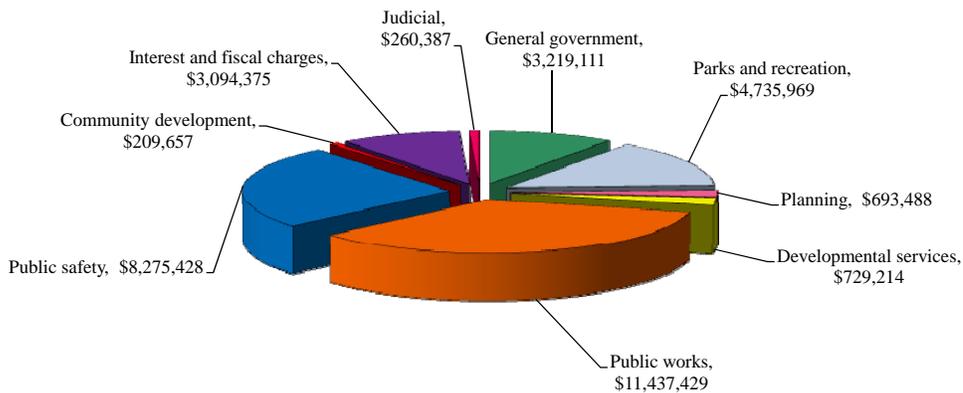


**CITY OF CHESTERFIELD, MISSOURI**  
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**City of Chesterfield, Missouri**  
**Revenues by Source for Fiscal Year 2010**



**City of Chesterfield, Missouri**  
**Expenses by Function for Fiscal Year 2010**



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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 2010, the unreserved fund balance of the General Fund was \$13,026,230, while the total fund balance was \$13,339,343. 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 57.4% of total General Fund expenditures and transfers out of \$22,703,184, while total fund balance represents 58.8% of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund decreased by \$884,245 (6.2%) from the prior year fund balance compared to a \$477,728 (3.2%) decrease in 2009. The change of the current year's fund balance is mainly due to:

- Utility gross receipts decreased \$615,612 mainly due to the large wireless telephone settlements in 2009 that were one-time payments.
- Investment income decreased \$92,504 as the returns offered by various investments decreased in 2010.
- Expenditures were up by \$885,485. The increase was primarily a reflection of one-time purchases in 2010 like the solar panels for the building and new court software.
- Other financing uses were \$668,802 less than in the prior year as a result of smaller transfers to other funds.

#### *Other Major Governmental Funds*

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

- Parks Sales Tax Fund ended 2010 with a fund balance of \$3,616,374, an increase of \$463,571 (14.7%) over the prior year. This ½ cent sales tax generated total revenue of \$5,697,406 in 2010, a decrease of \$51,363 (0.9%). The fund transferred \$2,771,030 to other funds for debt service expenditures.
- Capital Improvement Sales Tax Trust Fund ended the year with unreserved fund balance of \$591,094, an increase of 41.3% from the prior year. The increase was due to decreased expenditures amounting to \$1,528,792 in total and \$514,443 when excluding one-time grant funded expenditures in 2009. The trust fund transferred \$1,973,338 to other funds for debt service expenditures.
- Parks Construction Fund decreased by \$7,858,051 (51.2%). The decrease was due to \$8,126,665 in capital outlay expenditures.

**City of Chesterfield, Missouri**  
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**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 2010, cash and cash equivalents had decreased \$205,659 (to \$2,393,973) from 2009 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 expenditures for 2010 was \$20,974,078, which differs from the original adopted budget of \$19,212,405 by \$1,761,673. The change in budget was a result of one-time projects approved during 2010.

After transfers, the General Fund ended the year with an operating decrease of \$884,245. This decrease was \$686,110 less than the estimated amount of (\$1,570,355) from the final revised budget as a result of slightly higher than expected revenues and management of budgetary expenditures. Total revenues performed close to budget. As a result, total revenues were \$90,233 (0.4%) higher than the estimated amount of \$21,461,239.

**Capital Assets**

The City has invested \$205,178,010 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 \$14,161,762. In 2010, the City's capital asset detail was as follows:

<b>Capital Assets, Net of Depreciation</b>		
<b>December 31</b>		
	<b>2010</b>	<b>2009</b>
Land	\$ 31,124,538	28,950,938
Right-of-way	79,499,251	76,452,659
Buildings and other improvements	32,684,305	31,947,462
Machinery and equipment	1,891,734	2,016,623
Automobiles and trucks	2,140,229	2,180,678
Infrastructure (including construction-in-progress)	57,837,953	49,467,888
Total	\$ 205,178,010	191,016,248

**City of Chesterfield, Missouri**  
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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 2010, the City had outstanding long-term debt obligations for governmental activities in the amount of \$72,297,224 compared to \$76,617,638 in 2009. Of this amount, \$19,325,000 is general obligation bonds. Certificates of participation outstanding totaled \$51,135,000. The 5.6% or \$4,320,414 decrease in the City's long-term debt obligations is primarily due to the regular debt payments.

The City's governmental activities debt is detailed below:

	<b>Outstanding Long-term Debt Obligations</b>		
	<b>December 31</b>		<b>Percent Change</b>
	<b>2010</b>	<b>2009</b>	
Certificates of Participation Series 2002	\$ 990,000	1,170,000	(15.4%)
Certificates of Participation (Government Center) Series 2004	13,475,000	14,210,000	(5.2)
Certificates of Participation (Park) Series 2005	22,895,000	23,590,000	(2.9)
Certificates of Participation (Park) Series 2008	4,390,000	4,550,000	(3.5)
Certificates of Participation (Park) Series 2009A	3,690,000	3,990,000	(7.5)
Certificates of Participation (Park) Series 2009B	5,695,000	5,695,000	-
General Obligation Bonds (R&S) Series 2005	15,155,000	16,515,000	(8.2)
General Obligation Bonds (Parks) Series 2008	4,170,000	4,930,000	(15.4)
Total	\$ 70,460,000	74,650,000	(5.6%)

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 2010 was \$187,613,100.

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 2011 annual budget for General Fund expenditures is \$17,980,705, a decrease of \$2,993,373 (14.3%) from the 2010 amended budget. The large decrease is a result of the completion of projects and the elimination of positions in 2010.
- Capital Improvement Sales Tax Trust Fund expenditure budget for 2011 is \$2,884,869, a decrease of \$1,593,551 from the 2010 amended budget. The decrease is mostly related to one-time projects in 2010.
- Park Sales Tax Fund expenditure budget for 2011 is \$3,899,126, an increase of \$101,235 from the 2010 amended budget.

**City of Chesterfield, Missouri**  
**Management's Discussion and Analysis**  
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- For 2011, the City will experience several changes in revenue sources for the General Fund. The City participates in the St. Louis County sales tax pool, and at the end of 2010, the City lost one-half of the one percent county-wide sales tax to the sales tax pool.
- Health insurance costs continue to increase for the City, which may lead to a change in how the City provides this insurance to its employees and how much each employee is required to contribute.
- The City budgeted no increase in sales tax revenue for 2011. The City will closely monitor sales tax receipts throughout the year and amend the budget if necessary.

**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.

**City of Chesterfield, Missouri  
Management's Discussion and Analysis  
December 31, 2010**

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**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Net Assets**  
**December 31, 2010**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 25,279,085
Receivables, net	6,764,092
Deferred charges	1,121,598
Other assets	319,613
Capital assets not being depreciated	122,986,793
Capital assets, net of accumulated depreciation	82,191,217
Total assets	<u>238,662,398</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	3,144,427
Accrued salaries and other benefits	494,513
Accrued interest payable	655,612
Unearned revenue	330,717
Other liabilities	60,122
Long-term liabilities:	
Due within one year	5,095,482
Due in more than one year	67,201,742
Total liabilities	<u>76,982,615</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	133,596,730
Restricted:	
Debt service	1,400,783
Capital project	8,079,117
Parks improvement project	3,616,374
Tax increment financing projects	891,171
Sewer lateral repair project	734,254
Unrestricted	13,361,354
Total net assets	<u>\$ 161,679,783</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Activities**  
**For the year ended December 31, 2010**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Change in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 3,219,111	696,465	-	(2,522,646)
Parks and recreation	4,735,969	1,136,840	-	(1,206,029)
Judicial	260,387	1,275,826	-	1,015,439
Planning	693,488	24,455	-	(669,033)
Developmental services	729,214	-	-	(729,214)
Public works	11,437,429	62,828	5,173,362	(934,540)
Public safety	8,275,428	61,604	520,819	(7,693,005)
Community development	209,657	-	-	(209,657)
Interest and fiscal charges	3,094,375	-	120,957	(2,973,418)
Total governmental activities	<u>\$ 32,655,058</u>	<u>3,258,018</u>	<u>5,815,138</u>	<u>(15,922,103)</u>
General revenues:				
Taxes:				
Property taxes, levied for debt service				481,418
Sales and local use taxes:				
Parks and capital management				10,543,550
Intergovernmental - pooled sales tax				5,560,532
Gross receipts taxes (includes franchise tax)				7,975,310
Miscellaneous taxes (includes sewer lateral)				560,418
Unrestricted interest earnings				236,571
Miscellaneous				83,651
Gain on sale of capital assets				22,157
Total general revenues				<u>25,463,607</u>
Changes in net assets				9,541,504
Net assets - beginning of year				<u>152,138,279</u>
Net assets - end of year				<u>\$ 161,679,783</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2010**

	<u>Major Funds</u>				<u>Nonmajor Funds</u>	
	<u>General</u>	<u>Parks Sales Tax</u>	<u>Capital Improvement Sales Tax Trust</u>	<u>Parks Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and investments	\$ 10,453,213	2,759,817	-	9,277,825	2,788,230	25,279,085
Receivables, net:						
Municipal taxes	1,832,180	1,087,696	925,728	-	400,363	4,245,967
Intergovernmental	1,626,369	-	47,444	107,678	-	1,781,491
Interest	288	-	-	140	-	428
Other	736,206	-	-	-	-	736,206
Due from other funds	364,826	-	-	-	-	364,826
Prepays	313,113	6,500	-	-	-	319,613
Total assets	<u>\$ 15,326,195</u>	<u>3,854,013</u>	<u>973,172</u>	<u>9,385,643</u>	<u>3,188,593</u>	<u>32,727,616</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 963,612	180,156	89,879	1,897,620	13,160	3,144,427
Accrued salaries and other benefits	434,675	54,205	5,633	-	-	494,513
Due to other funds	-	1	286,566	-	78,259	364,826
Deferred revenue	528,443	3,277	-	-	97,790	629,510
Other liabilities	60,122	-	-	-	-	60,122
Total liabilities	<u>1,986,852</u>	<u>237,639</u>	<u>382,078</u>	<u>1,897,620</u>	<u>189,209</u>	<u>4,693,398</u>
<b>Fund balances</b>						
Reserved:						
Prepays	313,113	6,500	-	-	-	319,613
Unreserved, reported in:						
General Fund - designated for subsequent year expenditures	173,242	-	-	-	-	173,242
General Fund - undesignated	12,852,988	-	-	-	-	12,852,988
Special Revenue Funds	-	3,609,874	591,094	-	1,709,653	5,910,621
Capital Project Funds	-	-	-	7,488,023	-	7,488,023
Debt Service Funds	-	-	-	-	1,289,731	1,289,731
Total fund balances	<u>13,339,343</u>	<u>3,616,374</u>	<u>591,094</u>	<u>7,488,023</u>	<u>2,999,384</u>	<u>28,034,218</u>
Total liabilities and fund balances	<u>\$ 15,326,195</u>	<u>3,854,013</u>	<u>973,172</u>	<u>9,385,643</u>	<u>3,188,593</u>	<u>32,727,616</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**December 31, 2010**

Total fund balances - governmental funds \$ 28,034,218

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 (\$278,552,948) exceeded accumulated depreciation (\$73,374,938) as of December 31, 2010. 205,178,010

Property taxes are assessed by the City, but are not collected as of December 31, 2010 and deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements. 97,790

Court fines receivable as of December 31, 2010 are deferred within the governmental funds financial statements. This amount is recognized in the government-wide financial statements. 201,003

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, 2010 are:

Accrued compensated absences, vacation, and compensatory time-off	(715,944)
Accrued interest on outstanding debts as of year-end 2010	(655,612)
Bonds, notes payable, and lease obligations outstanding	(70,460,000)
Unamortized bond premium	(1,121,280)
Unamortized bond issuance cost	1,121,598
	<u>1,121,598</u>

Total net assets of governmental activities \$ 161,679,783

**CITY OF CHESTERFIELD, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended December 31, 2010**

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Parks Sales Tax	Capital Improvement Sales Tax Trust	Parks Construction	Other Governmental Funds	
<b>REVENUES</b>						
Municipal taxes	\$ 12,826,397	5,697,406	4,846,144	-	983,579	24,353,526
Licenses and permits	1,405,911	-	-	-	-	1,405,911
Intergovernmental	5,766,830	-	-	219,500	182,115	6,168,445
Charges for services, net	91,834	1,136,841	-	-	-	1,228,675
Court fines and forfeitures	1,259,764	-	-	-	-	1,259,764
Investment income	149,231	35,792	-	29,114	22,434	236,571
Miscellaneous	51,505	7,689	36,100	20,000	4,454	119,748
Total revenues	<u>21,551,472</u>	<u>6,877,728</u>	<u>4,882,244</u>	<u>268,614</u>	<u>1,192,582</u>	<u>34,772,640</u>
<b>EXPENDITURES</b>						
Current:						
Legislative	75,389	-	-	-	-	75,389
Administrative	2,824,753	-	-	-	-	2,824,753
Police services	8,053,709	-	-	-	20,065	8,073,774
Judicial	374,434	-	-	-	-	374,434
Planning and zoning	685,624	-	-	-	-	685,624
Developmental services	732,396	-	-	-	-	732,396
Public works	5,275,184	-	181,339	-	363,154	5,819,677
Parks and recreation	-	3,579,510	-	-	-	3,579,510
Capital outlay	2,393,409	151,477	3,153,617	8,126,665	495,892	14,321,060
Debt service:						
Principal	-	-	-	-	4,190,000	4,190,000
Interest and fiscal charges	-	-	-	-	3,130,140	3,130,140
Total expenditures	<u>20,414,898</u>	<u>3,730,987</u>	<u>3,334,956</u>	<u>8,126,665</u>	<u>8,199,251</u>	<u>43,806,757</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,136,574</u>	<u>3,146,741</u>	<u>1,547,288</u>	<u>(7,858,051)</u>	<u>(7,006,669)</u>	<u>(9,034,117)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	89,409	76,360	598,706	-	6,309,912	7,074,387
Transfers out	(2,288,286)	(2,771,030)	(1,973,338)	-	(41,733)	(7,074,387)
Sale of capital assets	178,058	11,500	-	-	-	189,558
Total other financing sources (uses), net	<u>(2,020,819)</u>	<u>(2,683,170)</u>	<u>(1,374,632)</u>	<u>-</u>	<u>6,268,179</u>	<u>189,558</u>
Net change in fund balances	<u>(884,245)</u>	<u>463,571</u>	<u>172,656</u>	<u>(7,858,051)</u>	<u>(738,490)</u>	<u>(8,844,559)</u>
Fund balances:						
Beginning of year	14,223,588	3,152,803	418,438	15,346,074	3,737,874	36,878,777
End of year	<u>\$ 13,339,343</u>	<u>3,616,374</u>	<u>591,094</u>	<u>7,488,023</u>	<u>2,999,384</u>	<u>28,034,218</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, 2010**

Net change in fund balances - governmental funds \$ (8,844,559)

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

The 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 \$12,949,252 exceeded depreciation (\$6,045,822) in the current period. 6,903,430

The net effect of various miscellaneous transactions involving capital assets:

Disposal of assets	(181,967)	
Contributed capital assets	<u>7,440,299</u>	7,258,332

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 Park Debt Service Fund		(75,550)
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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.		37,016
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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:		
Annual principal payments on bonds and certificates of participation		4,190,000

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	37,070	
Accrued interest on bonds	38,444	
Amortized bond issuance cost	(96,023)	
Amortized bond premium	<u>93,344</u>	<u>72,835</u>

Change in net assets of governmental activities		<u><u>\$ 9,541,504</u></u>
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**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

**(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, planning, and development.

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*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of 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. *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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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, Park Sales Tax Fund, Capital Improvement Sales Tax Trust Fund, and Parks Construction 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.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

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

**Governmental Fund Types**

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

The following are the City's governmental major funds:

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

**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.

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 and Debt Service Funds that account for the accumulation of resources for and repayment of general obligation long-term debt principal, interest, and related costs.

**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

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

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 first. Revenues are recognized in the period when the resources are required to be used for 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.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

**(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 roads, which are 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 \$715,944 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

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

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.

**(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, 2010 are comprised of prepaids.

**(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.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

**(2) Cash and Investments**

State statutes authorize Missouri local governments to invest in obligations of the U.S. Treasury and U.S. 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, 2010, the City's bank balances were either fully insured by federal depository insurance or collateralized with securities held by the City or by its agent in the City's name.

The following is a reconciliation of the City's deposit and investment balances at December 31, 2010:

	<b>Government-wide Statement of Net Assets</b>	<b>Fiduciary Funds Statement of Fiduciary Net Assets</b>	<b>Total</b>
Cash and cash equivalents	\$ 25,085,863	2,393,973	27,479,836
Investments	193,222	-	193,222
Total	\$ 25,279,085	2,393,973	27,673,058

***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, 2010:

	<b>Fair Value</b>	<b>No Maturity</b>	<b>Less Than One Year</b>
<b>Primary Government</b>			
Money market	\$ 11,177,200	11,177,200	-
Collateralized certificates of deposit	193,222	-	193,222
Total primary government	\$ 11,370,422	11,177,200	193,222

***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. Prequalifying 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, 2010**

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, 2010, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government.

	<u>Fair Value</u>	<u>Average Credit Quality (Moody's)</u>
Collateralized certificates of deposit	\$ 193,222	N/A
Money market*	11,177,200	Unrated
* Collateralized by U.S. 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:

- U.S. Treasury securities - up to 100% of total investments
- U.S. 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
- U.S. 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 U.S. Agency Securities is limited to 40% of the total amount of all U.S. Agency securities in the portfolio. Investment transactions with a single institution will be limited to 35% of the total portfolio.

	<u>Fair Value</u>	<u>Percent of Total Investments</u>
Collateralized certificates of deposit	\$ 193,222	1.7 %
Money market*	11,177,200	98.3
* Collateralized by U.S. 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 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.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

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

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

	<u>Municipal Taxes</u>	<u>Intergovern- mental</u>	<u>Interest</u>	<u>Other</u>	<u>Total Receivables</u>
<b>Governmental Activities</b>					
General Fund	\$ 1,832,180	1,626,369	288	736,206	4,195,043
Parks Sales Tax Fund	1,087,696	-	-	-	1,087,696
Capital Improvement Sales Tax Trust Fund	925,728	47,444	-	-	973,172
Parks Construction Fund	-	107,678	140	-	107,818
Nonmajor Other Governmental Funds	400,363	-	-	-	400,363
Total governmental activities	<u>\$ 4,245,967</u>	<u>1,781,491</u>	<u>428</u>	<u>736,206</u>	<u>6,764,092</u>

**(4) Capital Assets**

The following is a summary of changes in capital assets - governmental activities for the year ended December 31, 2010:

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

	<u>Balance December 31 2009</u>	<u>Transfers And Additions</u>	<u>Transfers And Retirements</u>	<u>Balance December 31 2010</u>
<b>Governmental Activities</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 28,950,938	2,173,600	-	31,124,538
Right-of-way	76,452,659	3,046,592	-	79,499,251
Construction in progress	5,045,227	9,532,554	2,214,777	12,363,004
Total capital assets not being depreciated	<u>110,448,824</u>	<u>14,752,746</u>	<u>2,214,777</u>	<u>122,986,793</u>
<i>Capital assets being depreciated:</i>				
Buildings	22,024,278	215,278	-	22,239,556
Other improvements	19,675,899	2,065,970	-	21,741,869
Machinery and equipment	4,676,874	375,043	74,984	4,976,933
Automobiles and trucks	4,115,160	711,028	650,303	4,175,885
Infrastructure	99,153,663	4,484,263	1,206,014	102,431,912
Total capital assets being depreciated	<u>149,645,874</u>	<u>7,851,582</u>	<u>1,931,301</u>	<u>155,566,155</u>
<i>Less - Accumulated depreciation for:</i>				
Buildings	3,624,712	553,548	-	4,178,260
Other improvements	6,128,003	990,857	-	7,118,860
Machinery and equipment	2,660,251	473,717	48,769	3,085,199
Automobiles and trucks	1,934,482	595,725	494,551	2,035,656
Infrastructure	54,731,002	3,431,975	1,206,014	56,956,963
Total accumulated depreciation	<u>69,078,450</u>	<u>6,045,822</u>	<u>1,749,334</u>	<u>73,374,938</u>
Total capital assets being depreciated, net	<u>80,567,424</u>	<u>1,805,760</u>	<u>181,967</u>	<u>82,191,217</u>
Governmental activities - capital assets, net	<u>\$ 191,016,248</u>	<u>16,558,506</u>	<u>2,396,744</u>	<u>205,178,010</u>

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

<b>Governmental Activities</b>	
General government	\$ 549,214
Parks and recreation	1,215,616
Planning	13,763
Public works	4,045,014
Public safety	222,215
Total depreciation expense, governmental activities	<u>\$ 6,045,822</u>

**(5) Accounts Payable**

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

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

**(6) Restricted Net Assets**

The government-wide statement of net assets reports \$14,721,699 of restricted net assets, all of which is restricted by enabling legislation.

**(7) Property Taxes**

The City's property tax is levied each October 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. During 2010, the City levied a tax rate of \$0.03 per \$100 of assessed valuation. The tax levy is for the retirement of general obligation bonds payable.

Taxes levied for 2010 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.

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 2010 premium payments to the trust were \$389,698.

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 Plans*, the assets and liabilities of the deferred compensation plan are not included in the accompanying basic financial statements.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

**(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. In addition, all eligible employees received an extra 0.5% for 2010, and the City provided a one-time 0.89% contribution for eligible employees. No contribution is required from employees. All employees are fully vested (100%) after five years of credited service. The City's contribution for 2010 was \$1,048,117 or 9.5% of covered payroll less any forfeitures from terminated nonvested employees.

Total covered payroll for the year was \$11,088,372 or 92% of the total City payroll of \$12,024,161.

**(11) Interfund Balances**

Individual fund interfund receivable and payable balances as of December 31, 2010 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Improvement Sales Tax Trust Fund	\$ 286,566
General Fund	Nonmajor Other Governmental Funds	78,259
General Fund	Parks Sales Tax Fund	1
Total		\$ 364,826

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, 2011.

**(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, 2010 are as follows:

2011	\$ 35,397
2012	32,843
2013	32,842
Total	\$ 101,082

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

**(13) Long-Term Debt**

The following is a summary of the changes in long-term debt for the year ended December 31, 2010:

	<u>Balance December 31 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31 2010</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 753,014	979,166	(1,016,236)	715,944	670,482
General obligation bonds	21,445,000	-	(2,120,000)	19,325,000	2,215,000
Plus - Issuance premium	255,274	-	(26,349)	228,925	-
Certificates of participation	53,205,000	-	(2,070,000)	51,135,000	2,210,000
Plus - Issuance premium	959,350	-	(66,995)	892,355	-
Total	<u>\$76,617,638</u>	<u>979,166</u>	<u>(5,299,580)</u>	<u>72,297,224</u>	<u>5,095,482</u>

Compensated absences are generally liquidated by the General Fund.

***General Obligation Bonds Payable***

In February 2008, the City issued \$5,255,000 in General Obligation Refunding Bonds Series 2008, the proceeds of which were used to advance refund \$5,245,000 of outstanding Series 1998 General Obligation Bonds. The original bonds were used to fund capital projects in the parks. The Series 2008 bonds bear interest ranging from 2.95% to 3.5% and are repaid through a Debt Service Fund.

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 crossover portion of the refunding was paid in full during 2009. The outstanding principal of the 1997 and 1999 bonds have been fully retired. The original bonds were used to fund road and sidewalk capital projects. The Series 2005 bonds bear interest ranging from 3% to 5% and are repaid through a Debt Service Fund.

The annual principal and interest requirements to maturity of the General Obligation Bonds as of December 31, 2010 are as follows:

<u>December 31</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2011	\$ 2,215,000	673,393	2,888,393
2012	2,270,000	603,871	2,873,871
2013	2,375,000	531,565	2,906,565
2014	2,455,000	451,354	2,906,354
2015	2,545,000	367,279	2,912,279
2016 - 2019	7,465,000	654,440	8,119,440
Total	<u>\$ 19,325,000</u>	<u>3,281,902</u>	<u>22,606,902</u>

***Certificates of Participation***

In September 2009, the City issued \$4,550,000 in Certificates of Participation (Series 2009A), which represent proportionate interests in base rentals to be paid by the City pursuant to an annually renewable lease/purchase agreement dated September 1, 2009 between the City and Wells Fargo Bank (the trustee/lessor). The trustee has agreed to execute and deliver certificates pursuant to a declaration and

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

indenture of trust to finance the City's renovation and improvement of the City's Central Park and the Chesterfield Valley Athletic Complex. The base rentals constitute rent for the Parks Administration and Maintenance Facility and real property on which the Facility is situated pursuant to the lease. The certificates of participation bear interest ranging from 0.50% to 3.45% and will be repaid through a transfer of Park Sales Tax Fund operating revenues to a Debt Service Fund.

In September 2009, the City issued \$5,695,000 in Taxable Certificates of Participation (Series 2009B), which represent proportionate interests in base rentals to be paid by the City pursuant to an annually renewable lease/purchase agreement dated September 1, 2009 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 renovation and improvement of the City's Central Park and the Chesterfield Valley Athletic Complex. The base rentals constitute rent for the Parks Administration and Maintenance Facility and real property on which the Facility is situated pursuant to the lease. The certificates of participation bear interest ranging from 5.625 % to 6.3% and will be repaid through a transfer of Park Sales Tax Fund operating revenues to a Debt Service Fund.

In December 2008, the City issued \$4,720,000 in Certificates of Participation (Series 2008), which represent proportionate interests in base rentals to be paid by the City pursuant to an annually renewable lease/purchase agreement dated December 1, 2008 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 renovation and improvement of the City's Central Park and the Chesterfield Valley Athletic Complex. The base rentals constitute rent for the land pursuant to the lease. The certificates of participation bear interest ranging from 3.25% to 5.375% and will be repaid through a transfer of Park Sales Tax Fund operating revenues to a Debt Service Fund.

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 a transfer of Park Sales Tax Fund operating revenues to a Debt Service Fund.

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 through a transfer of General Fund operating revenues to a Debt Service Fund.

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.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

The annual principal and interest requirements to maturity of the certificates of participation as of December 31, 2010 are as follows:

<u>December 31</u>	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2011	\$ 2,210,000	2,190,377	4,400,377
2012	2,375,000	2,114,953	4,489,953
2013	2,530,000	2,033,839	4,563,839
2014	2,700,000	1,946,528	4,646,528
2015	2,870,000	1,844,433	4,714,433
2016 - 2020	16,590,000	7,280,137	23,870,137
2021 - 2025	16,830,000	3,306,228	20,136,228
2026 - 2030	4,275,000	714,144	4,989,144
2031	755,000	30,918	785,918
Total	<u>\$ 51,135,000</u>	<u>21,461,557</u>	<u>72,596,557</u>

**(14) Interfund Transfers**

Individual fund transfers for the year ended December 31, 2010 are as follows:

	<u>Transfers From</u>				<u>Total</u>
	<u>General Fund</u>	<u>Park Sales Tax Fund</u>	<u>Capital Improvement Sales Tax Trust Fund</u>	<u>Nonmajor Other Governmental Funds</u>	
<u>Transfers To</u>					
General Fund	\$ -	47,676	-	41,733	89,409
Capital Improvement					
Sales Tax Trust Fund	598,706	-	-	-	598,706
Parks Sales Tax Fund	76,360	-	-	-	76,360
Nonmajor Other Gov- ernmental Funds	<u>1,613,220</u>	<u>2,723,354</u>	<u>1,973,338</u>	<u>-</u>	<u>6,309,912</u>
Total	<u>\$ 2,288,286</u>	<u>2,771,030</u>	<u>1,973,338</u>	<u>41,733</u>	<u>7,074,387</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.

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Basic Financial Statements**  
**December 31, 2010**

**(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.

At December 31, 2010, the City was committed to various construction contracts for an amphitheater, park, and street projects in the amount of \$4,638,972.

**(16) Pledged Revenues**

The City has pledged a portion of future parks sales tax revenues to repay \$25,710,000 in certificates of participation (series 2005), \$4,720,000 in certificates of participation (series 2008), \$4,550,000 in certificates of participation (series 2009A), and \$5,695,000 in taxable certificates of participation (series 2009B) 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 \$53,687,643 payable through December 2031. For the current year, principal and interest paid and total sales tax revenues were \$2,844,350 and \$5,697,406, respectively.

**(17) Federal Forfeiture Activity**

The City had no revenues, expenditures, or ending balances as of December 31, 2010.

**(18) Future Accounting Pronouncements**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), establishes standards for the policies and disclosures for fund balance among other things. GASB 54 will be effective for the City for the year ending December 31, 2011. The City, however, has not yet completed its assessment of the statement or the potential impact of the statement on its financial position.

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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, 2010**

**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	\$ 6,981,053	6,981,053	7,265,865	284,812
Sales taxes	5,756,509	5,756,509	5,560,532	(195,977)
Total municipal taxes	<u>12,737,562</u>	<u>12,737,562</u>	<u>12,826,397</u>	<u>88,835</u>
Licenses and permits	1,323,714	1,323,714	1,405,911	82,197
Intergovernmental:				
Motor fuel and vehicle sales taxes	1,734,970	1,734,970	1,794,978	60,008
Cigarette tax	148,043	148,043	133,808	(14,235)
Road and bridge tax	2,009,953	2,009,953	1,957,399	(52,554)
Grants and other	432,050	1,816,008	1,880,645	64,637
Total intergovernmental	<u>4,325,016</u>	<u>5,708,974</u>	<u>5,766,830</u>	<u>57,856</u>
Charges for services:				
Inspection and subdivision fees	35,090	35,090	27,027	(8,063)
Zoning applications	3,380	3,380	2,890	(490)
Police reports	5,524	5,524	7,600	2,076
False alarms	34,275	34,275	33,050	(1,225)
Other charges	23,305	23,305	21,267	(2,038)
Total charges for services	<u>101,574</u>	<u>101,574</u>	<u>91,834</u>	<u>(9,740)</u>
Court fines and forfeitures	1,346,969	1,346,969	1,259,764	(87,205)
Investment income	227,446	227,446	149,231	(78,215)
Miscellaneous	15,000	15,000	51,505	36,505
Total revenues	<u>20,077,281</u>	<u>21,461,239</u>	<u>21,551,472</u>	<u>90,233</u>
<b>EXPENDITURES</b>	<u>19,212,405</u>	<u>20,974,078</u>	<u>20,414,898</u>	<u>559,180</u>
Excess of revenues over expenditures	<u>864,876</u>	<u>487,161</u>	<u>1,136,574</u>	<u>649,413</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	41,733	89,409	47,676
Transfers out	(2,101,356)	(2,240,622)	(2,288,286)	47,664
Sale of capital assets	141,373	141,373	178,058	36,685
Total other financing sources (uses), net	<u>(1,959,983)</u>	<u>(2,057,516)</u>	<u>(2,020,819)</u>	<u>36,697</u>
Net change in fund balance	<u>\$ (1,095,107)</u>	<u>(1,570,355)</u>	<u>(884,245)</u>	<u>686,110</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, 2010**

**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	\$ 66,232	66,232	65,747	485
Contractual services	13,350	12,350	7,869	4,481
Commodities	800	1,800	1,773	27
Total legislative	<u>80,382</u>	<u>80,382</u>	<u>75,389</u>	<u>4,993</u>
Administrative:				
City clerk:				
Personal services	204,203	204,203	203,308	895
Contractual services	49,300	49,300	35,811	13,489
Commodities	1,050	1,050	337	713
City Administrator:				
Personal services	250,472	250,472	248,877	1,595
Contractual services	5,390	5,390	4,669	721
Commodities	100	130	114	16
Community development				
Personal services	192,280	192,280	184,163	8,117
Contractual services	50,800	50,800	26,137	24,663
Commodities	500	800	785	15
Finance:				
Personal services	492,550	492,550	489,772	2,778
Contractual services	109,732	113,632	113,544	88
Commodities	1,775	3,575	3,535	40
Central services:				
Personal services	120,000	120,000	119,233	767
Contractual services	961,400	1,021,400	1,018,684	2,716
Commodities	47,000	36,300	32,611	3,689
Information systems:				
Personal services	225,376	225,376	224,746	630
Contractual services	102,500	93,500	93,493	7
Commodities	38,600	26,420	24,934	1,486
Capital outlay	17,000	46,000	45,787	213
Total administrative	<u>2,870,028</u>	<u>2,933,178</u>	<u>2,870,540</u>	<u>62,638</u>
Police services:				
Personal services	7,589,409	7,494,409	7,494,363	46
Contractual services	410,985	419,795	410,222	9,573
Commodities	147,755	151,311	149,124	2,187
Capital outlay	288,500	308,500	305,380	3,120
Total police services	<u>8,436,649</u>	<u>8,374,015</u>	<u>8,359,089</u>	<u>14,926</u>
Judicial:				
Personal services	165,135	171,135	170,206	929
Contractual services	56,493	203,695	203,493	202
Commodities	700	750	735	15
Total judicial	<u>222,328</u>	<u>375,580</u>	<u>374,434</u>	<u>1,146</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, 2010**

Schedule 1

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>EXPENDITURES (continued)</b>				
<b>General government (continued):</b>				
Planning and zoning:				
Personal services	681,674	681,674	649,219	32,455
Contractual services	58,375	55,375	33,984	21,391
Commodities	2,000	2,500	2,421	79
Total planning and zoning	<u>742,049</u>	<u>739,549</u>	<u>685,624</u>	<u>53,925</u>
Developmental services:				
Personal services	680,418	680,418	666,116	14,302
Contractual services	76,100	77,680	59,140	18,540
Commodities	9,600	9,600	7,140	2,460
Capital outlay	20,000	27,733	14,585	13,148
Total developmental services	<u>786,118</u>	<u>795,431</u>	<u>746,981</u>	<u>48,450</u>
Public works:				
Administration and engineering:				
Personal services	693,734	693,734	661,535	32,199
Contractual services	123,695	127,767	114,362	13,405
Commodities	15,700	15,700	15,141	559
Capital outlay	31,500	31,500	10,699	20,801
Street and sewer maintenance:				
Personal services	1,685,219	1,685,219	1,665,332	19,887
Contractual services	640,400	694,125	693,977	148
Commodities	526,180	510,762	441,489	69,273
Capital outlay	494,900	484,075	422,182	61,893
Vehicle maintenance:				
Personal services	385,888	385,888	336,282	49,606
Contractual services	248,700	248,700	237,837	10,863
Commodities	427,500	427,500	359,636	67,864
Capital outlay	25,000	44,734	42,298	2,436
Building maintenance:				
Personal services	387,435	387,435	383,969	3,466
Contractual services	309,500	306,825	287,875	18,950
Commodities	53,500	53,500	53,400	100
Capital outlay	-	318,340	318,340	-
Street lighting - contractual services:				
Contractual services	23,500	23,500	22,529	971
Commodities	2,500	2,500	1,820	680
Intergovernmental - capital outlay	-	1,234,139	1,234,138	1
Total public works	<u>6,074,851</u>	<u>7,675,943</u>	<u>7,302,841</u>	<u>373,102</u>
Total expenditures	<u>\$ 19,212,405</u>	<u>20,974,078</u>	<u>20,414,898</u>	<u>559,180</u>

**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, 2010**

Schedule 2

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Municipal taxes:				
Sales taxes	\$ 5,713,912	5,713,912	5,697,406	(16,506)
Park charges and fees	1,040,747	1,040,747	1,136,841	96,094
Investment income	30,392	30,392	35,792	5,400
Miscellaneous	-	-	7,689	7,689
Total revenues	<u>6,785,051</u>	<u>6,785,051</u>	<u>6,877,728</u>	<u>92,677</u>
<b>EXPENDITURES</b>				
Parks and recreation	3,632,062	3,641,147	3,579,510	61,637
Capital outlay	161,744	156,744	151,477	5,267
Total expenditures	<u>3,793,806</u>	<u>3,797,891</u>	<u>3,730,987</u>	<u>66,904</u>
Excess of revenues over expenditures	<u>2,991,245</u>	<u>2,987,160</u>	<u>3,146,741</u>	<u>159,581</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	76,360	76,360
Transfers out	(2,762,244)	(2,771,244)	(2,771,030)	214
Sale of capital assets	-	-	11,500	11,500
Total other financing sources (uses), net	<u>(2,762,244)</u>	<u>(2,771,244)</u>	<u>(2,683,170)</u>	<u>88,074</u>
Net change in fund balance	<u>\$ 229,001</u>	<u>215,916</u>	<u>463,571</u>	<u>247,655</u>

**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, 2010**

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	\$ 4,828,167	4,828,167	4,846,144	17,977
Miscellaneous income	221,375	221,375	36,100	(185,275)
Total revenues	5,049,542	5,049,542	4,882,244	(167,298)
<b>EXPENDITURES</b>				
Public works	183,776	183,776	181,339	2,437
Capital outlay	3,416,911	4,294,644	3,153,617	1,141,027
Total expenditures	3,600,687	4,478,420	3,334,956	1,143,464
Excess of revenues over expenditures	1,448,855	571,122	1,547,288	976,166
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	529,521	805,691	598,706	(206,985)
Transfers out	(1,978,376)	(1,977,689)	(1,973,338)	4,351
Total other financing sources (uses), net	(1,448,855)	(1,171,998)	(1,374,632)	(202,634)
Net change in fund balance	\$ -	(600,876)	172,656	773,532

**CITY OF CHESTERFIELD, MISSOURI**  
**Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget to Actual**  
**For the year ended December 31, 2010**

**EXPLANATION OF BUDGETARY PROCESS**

The City prepares and legally adopts an annual budget for the General Fund, the Parks Sales Tax Special Revenue Fund, the Capital Improvement Sales Tax Trust Special Revenue Fund, the Sewer Lateral Fund, the Chesterfield Valley Tax Increment Financing 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 the proposed budget at a Public Hearing prior to a regularly scheduled City Council meeting. The budget is adopted at a 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, Sewer Lateral Special Revenue Fund, all Debt Service Funds, and all Capital Project Funds is defined as the budgeted appropriation amount at the department level.

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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.

Chesterfield Valley Tax Increment Financing - This fund is used to account for financial resources to be used for infrastructure and transportation projects in the Chesterfield Valley.

## **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 2008 which advance refunded the General Obligation Bond issue, Series 1998.

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 Phase I & II - This fund is used to account for the accumulation of resources and payment of principal and interest on the 2005, 2008, and 2009A & B Certificates of Participation.

R&S - This fund (Road and Sidewalk Fund) is used to account for the accumulation of resources for and the payment of general long-term debt principal and interest payments on the General Obligation Street and Sidewalk Bond issue Series 2005.

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2010**

**Schedule 4**

	<u>Nonmajor Special Revenue Funds</u>			<u>Total Special Revenue</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Police Forfeiture</u>	<u>Sewer Lateral</u>	<u>Chesterfield Valley Tax Increment Financing</u>			
<b>ASSETS</b>						
Cash and investments	\$ 84,228	634,940	971,538	1,690,706	1,097,524	2,788,230
Receivables:						
Municipal taxes	-	110,104	-	110,104	290,259	400,363
Total assets	<u>\$ 84,228</u>	<u>745,044</u>	<u>971,538</u>	<u>1,800,810</u>	<u>1,387,783</u>	<u>3,188,593</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	10,790	2,370	13,160	-	13,160
Due to other funds	-	-	77,997	77,997	262	78,259
Deferred revenue	-	-	-	-	97,790	97,790
Total liabilities	<u>-</u>	<u>10,790</u>	<u>80,367</u>	<u>91,157</u>	<u>98,052</u>	<u>189,209</u>
<b>Fund balances</b>						
Unreserved, reported in:						
Special Revenue Funds	84,228	734,254	891,171	1,709,653	-	1,709,653
Debt Service Funds	-	-	-	-	1,289,731	1,289,731
Total fund balances	<u>84,228</u>	<u>734,254</u>	<u>891,171</u>	<u>1,709,653</u>	<u>1,289,731</u>	<u>2,999,384</u>
Total liabilities and fund balances	<u>\$ 84,228</u>	<u>745,044</u>	<u>971,538</u>	<u>1,800,810</u>	<u>1,387,783</u>	<u>3,188,593</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended December 31, 2010**

**Schedule 5**

	<u>Nonmajor Special Revenue Funds</u>			<u>Total Special Revenue</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Police Forfeiture</u>	<u>Sewer Lateral</u>	<u>Chesterfield Valley Tax Increment Financing</u>			
<b>REVENUES</b>						
Municipal taxes	\$ -	426,611	-	426,611	556,968	983,579
Intergovernmental	61,158	-	-	61,158	120,957	182,115
Investment income	-	4,258	11,922	16,180	6,254	22,434
Miscellaneous	-	-	4,454	4,454	-	4,454
Total revenues	<u>61,158</u>	<u>430,869</u>	<u>16,376</u>	<u>508,403</u>	<u>684,179</u>	<u>1,192,582</u>
<b>EXPENDITURES</b>						
Current:						
Police services	20,065	-	-	20,065	-	20,065
Public works	-	363,154	-	363,154	-	363,154
Capital outlay	10,855	-	485,037	495,892	-	495,892
Debt service:						
Principal	-	-	-	-	4,190,000	4,190,000
Interest and fiscal charges	-	-	-	-	3,130,140	3,130,140
Total expenditures	<u>30,920</u>	<u>363,154</u>	<u>485,037</u>	<u>879,111</u>	<u>7,320,140</u>	<u>8,199,251</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,238</u>	<u>67,715</u>	<u>(468,661)</u>	<u>(370,708)</u>	<u>(6,635,961)</u>	<u>(7,006,669)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	6,309,912	6,309,912
Transfers out	-	(41,733)	-	(41,733)	-	(41,733)
Total other financing sources (uses), net	<u>-</u>	<u>(41,733)</u>	<u>-</u>	<u>(41,733)</u>	<u>6,309,912</u>	<u>6,268,179</u>
Net change in fund balances	30,238	25,982	(468,661)	(412,441)	(326,049)	(738,490)
Fund balances:						
Beginning of year	<u>53,990</u>	<u>708,272</u>	<u>1,359,832</u>	<u>2,122,094</u>	<u>1,615,780</u>	<u>3,737,874</u>
End of year	<u>\$ 84,228</u>	<u>734,254</u>	<u>891,171</u>	<u>1,709,653</u>	<u>1,289,731</u>	<u>2,999,384</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2010**

Schedule 6

	<u>Parks 1998</u>	<u>Public Works Facility 1995 and 2002</u>	<u>City Hall</u>	<u>Parks Phase I &amp; II</u>	<u>R&amp;S</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and investments	\$ 866,902	230,617	1	4	-	1,097,524
Receivables:						
Municipal taxes	290,259	-	-	-	-	290,259
Total assets	<u>\$ 1,157,161</u>	<u>230,617</u>	<u>1</u>	<u>4</u>	<u>-</u>	<u>1,387,783</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Due to other funds	\$ -	262	-	-	-	262
Deferred revenue	97,790	-	-	-	-	97,790
Total liabilities	<u>97,790</u>	<u>262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,052</u>
<b>Fund balances</b>	<u>1,059,371</u>	<u>230,355</u>	<u>1</u>	<u>4</u>	<u>-</u>	<u>1,289,731</u>
Total liabilities and fund balances	<u>\$ 1,157,161</u>	<u>230,617</u>	<u>1</u>	<u>4</u>	<u>-</u>	<u>1,387,783</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the year ended December 31, 2010**

Schedule 7

	<u>Parks 1998</u>	<u>Public Works Facility 1995 and 2002</u>	<u>City Hall</u>	<u>Parks Phase I &amp; II</u>	<u>R&amp;S</u>	<u>Total</u>
<b>REVENUES</b>						
Municipal taxes	\$ 556,968	-	-	-	-	556,968
Intergovernmental	-	-	-	120,957	-	120,957
Investment income	6,194	13	1	42	4	6,254
Total revenues	<u>563,162</u>	<u>13</u>	<u>1</u>	<u>120,999</u>	<u>4</u>	<u>684,179</u>
<b>EXPENDITURES</b>						
Debt service:						
Principal	760,000	180,000	735,000	1,155,000	1,360,000	4,190,000
Interest and fiscal charges	122,853	46,941	651,994	1,689,350	619,002	3,130,140
Total expenditures	<u>882,853</u>	<u>226,941</u>	<u>1,386,994</u>	<u>2,844,350</u>	<u>1,979,002</u>	<u>7,320,140</u>
Excess (deficiency) of revenues over (under) expenditures	(319,691)	(226,928)	(1,386,993)	(2,723,351)	(1,978,998)	(6,635,961)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	226,229	1,386,992	2,723,353	1,973,338	6,309,912
Net change in fund balances	(319,691)	(699)	(1)	2	(5,660)	(326,049)
Fund balances:						
Beginning of year	1,379,062	231,054	2	2	5,660	1,615,780
End of year	<u>\$ 1,059,371</u>	<u>230,355</u>	<u>1</u>	<u>4</u>	<u>-</u>	<u>1,289,731</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Sewer Lateral Fund - Nonmajor Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the year ended December 31, 2010**

**Schedule 8**

	<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	\$ 423,000	423,000	426,611	3,611
Investment income	2,400	2,400	4,258	1,858
Total revenues	425,400	425,400	430,869	5,469
<b>EXPENDITURES</b>				
Public works	430,000	430,000	363,154	66,846
Excess (deficiency) of revenues over (under) expenditures	(4,600)	(4,600)	67,715	72,315
<b>OTHER FINANCING USES</b>				
Transfers out	-	(41,733)	(41,733)	-
Net change in fund balances	\$ (4,600)	(46,333)	25,982	72,315

**CITY OF CHESTERFIELD, MISSOURI**  
**Chesterfield Valley Tax Increment Financing Fund - Nonmajor Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the year ended December 31, 2010**

**Schedule 9**

	<b>Original Budget</b>	<b>Final Revised Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Investment income	\$ 25,000	25,000	11,922	(13,078)
Miscellaneous	-	-	4,454	4,454
Total revenues	25,000	25,000	16,376	(8,624)
<b>EXPENDITURES</b>				
Capital outlay	1,926,079	2,116,134	485,037	1,631,097
Net change in fund balance	\$ (1,901,079)	(2,091,134)	(468,661)	1,622,473

**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, 2010**

Schedule 10

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 500,000	500,000	556,968	56,968
Investment income	6,000	6,000	6,194	194
Total revenues	<u>506,000</u>	<u>506,000</u>	<u>563,162</u>	<u>57,162</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	760,000	760,000	760,000	-
Interest and fiscal charges	<u>122,278</u>	<u>122,853</u>	<u>122,853</u>	-
Total expenditures	<u>882,278</u>	<u>882,853</u>	<u>882,853</u>	-
Net change in fund balance	<u>\$ (376,278)</u>	<u>(376,853)</u>	<u>(319,691)</u>	<u>57,162</u>

**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, 2010**

Schedule 11

	<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	\$ 1,000	1,000	13	(987)
<b>EXPENDITURES</b>				
Debt service:				
Principal	180,000	180,000	180,000	-
Interest and fiscal charges	<u>45,563</u>	<u>46,963</u>	<u>46,941</u>	<u>22</u>
Total expenditures	<u>225,563</u>	<u>226,963</u>	<u>226,941</u>	<u>22</u>
Deficiency of revenues under expenditures	(224,563)	(225,963)	(226,928)	(965)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	225,563	225,484	226,229	745
Net change in fund balance	<u>\$ 1,000</u>	<u>(479)</u>	<u>(699)</u>	<u>(220)</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, 2010**

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	\$ -	1	1
<b>EXPENDITURES</b>			
Debt service:			
Principal	735,000	735,000	-
Interest and fiscal charges	652,590	651,994	596
Total expenditures	<u>1,387,590</u>	<u>1,386,994</u>	<u>596</u>
Deficiency of revenues under expenditures	(1,387,590)	(1,386,993)	597
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,387,588	1,386,992	(596)
Net change in fund balance	<u>\$ (2)</u>	<u>(1)</u>	<u>1</u>

**CITY OF CHESTERFIELD, MISSOURI**  
**Parks Phase I & II - Nonmajor Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the year ended December 31, 2010**

Schedule 13

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 120,957	120,957	120,957	-
Investment income	-	-	42	42
Total revenues	120,957	120,957	120,999	42
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,155,000	1,155,000	1,155,000	-
Interest and fiscal charges	1,683,648	1,689,359	1,689,350	9
Total expenditures	2,838,648	2,844,359	2,844,350	9
Deficiency of revenues under expenditures	(2,717,691)	(2,723,402)	(2,723,351)	51
<b>OTHER FINANCING SOURCES</b>				
Transfers in	2,720,928	2,720,928	2,723,353	2,425
Net change in fund balance	\$ 3,237	(2,474)	2	2,476

**CITY OF CHESTERFIELD, MISSOURI**  
**R&S - Nonmajor Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the year ended December 31, 2010**

Schedule 14

	<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	\$ -	-	4	4
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,360,000	1,360,000	1,360,000	-
Interest and fiscal charges	618,376	619,006	619,002	4
Total expenditures	<u>1,978,376</u>	<u>1,979,006</u>	<u>1,979,002</u>	<u>4</u>
Deficiency of revenues under expenditures	(1,978,376)	(1,979,006)	(1,978,998)	8
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,978,376	1,978,366	1,973,338	(5,028)
Net change in fund balance	<u>\$ -</u>	<u>(640)</u>	<u>(5,660)</u>	<u>(5,020)</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.

## **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, 2010**

Schedule 15

	Original And Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	219,500	219,500
Investment income	20,000	29,114	9,114
Miscellaneous	-	20,000	20,000
Total revenues	20,000	268,614	248,614
<b>EXPENDITURES</b>			
Capital outlay	19,394,178	8,126,665	11,267,513
Net change in fund balance	\$ (19,374,178)	(7,858,051)	11,516,127

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**December 31, 2010**

**Schedule 16**

	<b>Court Bond Fund</b>	<b>Explorer's Fund</b>	<b>Highway 40 Trust Fund</b>	<b>Miscellaneous Escrow Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ 73,046	12,370	228,889	2,079,668	2,393,973
<b>LIABILITIES</b>					
Accounts payable	\$ -	12,370	228,889	-	241,259
Deposits held in escrow	73,046	-	-	2,079,668	2,152,714
Total liabilities	\$ 73,046	12,370	228,889	2,079,668	2,393,973

**CITY OF CHESTERFIELD, MISSOURI**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**For the year ended December 31, 2010**

**Schedule 17**

	<u>Balance December 31 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2010</u>
<b>Court Bond Fund</b>				
Assets - cash and investments	\$ 93,680	17,101	37,735	73,046
Liabilities - deposits held in escrow	\$ 93,680	17,101	37,735	73,046
<b>Explorer's Fund</b>				
Assets - cash and investments	\$ 18,317	784	6,731	12,370
Liabilities - accounts payable	\$ 18,317	784	6,731	12,370
<b>Highway 40 Trust Fund</b>				
Assets - cash and investments	\$ 353,273	-	124,384	228,889
Liabilities - accounts payable	\$ 353,273	-	124,384	228,889
<b>Miscellaneous Escrow Fund</b>				
Assets - cash and investments	\$ 2,134,362	210,443	265,137	2,079,668
Liabilities - deposits held in escrow	\$ 2,134,362	210,443	265,137	2,079,668
<b>Total - All Agency Funds</b>				
Assets - cash and investments	\$ 2,599,632	228,328	433,987	2,393,973
Liabilities:				
Accounts payable	\$ 371,590	784	131,115	241,259
Deposits held in escrow	2,228,042	227,544	302,872	2,152,714
Total liabilities	\$ 2,599,632	228,328	433,987	2,393,973

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**Statistical**

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**CITY OF CHESTERFIELD, MISSOURI**  
**Statistical Section**  
**December 31, 2010**

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.	68 - 71
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	72 - 76
<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.	77 - 81
<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.	82 - 83
<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.	84 - 86

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 Nine 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>	<u>2008</u>	<u>2009</u>	<u>2010</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	117,138,329	121,457,371	133,596,730
Restricted	32,087,452	30,772,578	30,719,989	31,608,907	34,529,805	23,417,047	19,381,550	16,484,472	14,721,699
Unrestricted	<u>(39,180,430)</u>	<u>(36,474,538)</u>	<u>(33,197,547)</u>	<u>(23,133,146)</u>	<u>(9,797,015)</u>	<u>8,448,252</u>	<u>14,326,019</u>	<u>14,196,436</u>	<u>13,361,354</u>
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>	<u>150,845,898</u>	<u>152,138,279</u>	<u>161,679,783</u>

Source: Basic financial statements

2002 was the year GASB Statement 34 was implemented.

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

	For the years ended December 31								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<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	3,104,859	3,239,574	3,219,111
Parks and recreation	1,733,646	1,759,887	1,819,602	1,200,554	3,279,634	3,631,874	4,114,605	4,529,859	4,735,969
Judicial	173,865	169,118	177,183	184,064	182,869	189,701	212,013	221,809	260,387
Planning	629,707	588,615	592,138	578,915	646,653	642,805	618,783	733,341	693,488
Developmental services	-	-	-	-	-	-	785,752	854,705	729,214
Public works	16,058,649	14,763,996	12,830,243	14,714,417	14,847,845	10,246,596	14,402,877	14,701,716	11,437,429
Public safety	6,733,157	6,540,437	6,694,462	6,877,264	7,099,546	7,405,868	8,311,227	8,309,249	8,275,428
Community development	177,757	179,090	139,090	65,848	153,130	493,543	244,572	246,792	209,657
Interest and fiscal charges	6,604,298	4,594,305	5,598,446	5,485,774	5,172,635	4,691,663	3,797,796	2,932,036	3,094,375
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>	<u>35,592,484</u>	<u>35,769,081</u>	<u>32,655,058</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	740,083	683,912	696,465
Parks and recreation	419,918	420,887	459,308	778,892	868,600	1,012,857	977,961	1,027,958	1,136,840
Judicial	836,305	809,258	833,990	852,979	942,244	997,433	1,212,561	1,317,384	1,275,826
Planning	26,129	20,850	27,332	24,219	34,853	38,137	23,412	25,119	24,455
Public works	450,323	314,534	391,134	63,105	108,644	106,480	30,634	139,747	62,828
Public safety	161,588	63,924	49,255	39,342	41,293	47,106	53,391	60,126	61,604
Operating grants and contributions	378,601	4,901,639	4,005,610	3,623,959	4,036,605	4,614,543	4,197,473	5,094,736	5,815,138
Capital grants and contributions	28,119	1,396,652	365,850	1,464,064	417,894	2,374,841	1,364,332	2,202,831	7,659,799
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>	<u>8,599,847</u>	<u>10,551,813</u>	<u>16,732,955</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>	<u>(26,992,637)</u>	<u>(25,217,268)</u>	<u>(15,922,103)</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	592,791	618,841	481,418
Sales and local use taxes	12,621,361	12,961,633	13,764,998	19,524,090	22,574,494	22,281,097	17,635,148	16,212,514	16,104,082
Gross receipts taxes (includes franchise tax)	4,789,699	4,985,577	5,013,234	5,473,216	5,617,717	6,267,218	8,766,303	8,512,571	7,975,310
Miscellaneous taxes (includes sewer lateral)	402,731	549,249	465,261	420,758	600,668	588,441	567,228	555,847	560,418
Unrestricted interest earnings	1,022,026	486,186	524,489	2,020,949	3,211,400	3,098,984	2,039,470	522,906	236,571
Miscellaneous	4,755,027	270,006	456,323	485,942	229,843	480,594	1,104,362	86,970	105,808
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>	<u>30,705,302</u>	<u>26,509,649</u>	<u>25,463,607</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>	<u>3,712,665</u>	<u>1,292,381</u>	<u>9,541,504</u>

Source: Basic financial statements

2002 was the year GASB Statement 34 was implemented.

Table 3

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

	December 31								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005 (2)(3)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund:									
Reserved	\$ 277,809	314,738	364,560	275,267	292,748	309,602	351,498	342,634	313,113
Unreserved	12,072,726	11,244,722	10,817,879	11,996,698	12,458,806	14,176,375	14,349,818	13,880,954	13,026,230
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>	<u>14,701,316</u>	<u>14,223,588</u>	<u>13,339,343</u>
All other governmental funds:									
Reserved	\$ -	-	-	225	2,330	-	-	6,500	6,500
Unreserved, reported in:									
Special Revenue Funds	22,317,105	21,811,714	23,147,435	23,265,228	24,330,552	13,447,429	10,998,460	5,686,835	5,910,621
Capital Project Funds	3,452	-	-	20,465,583	17,217,974	13,886,084	17,195,066	15,346,074	7,488,023
Debt Service Funds	9,513,950	9,751,696	8,388,403	24,695,143	28,515,584	19,653,766	11,695,484	1,615,780	1,289,731
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>	<u>39,889,010</u>	<u>22,655,189</u>	<u>14,694,875</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 Projects Fund. This presented the substantial increase in unreserved fund balance for Capital Projects Fund.
- (3) In 2005, the City crossover refunded the general obligation bonds for streets and sidewalks. The proceeds from bonds Series 2005 were presented as cash refunding escrow.

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

	For the years ended December 31								
	2002	2003	2004	2005 (2)(3)	2007	2007	2008	2009	2010
<b>REVENUES</b>									
Municipal taxes	\$ 23,810,751	26,088,776	27,821,141	33,643,318	43,693,416	29,088,401	26,871,744	25,049,540	24,353,526
Licenses and permits	1,052,996	1,115,271	1,223,489	1,276,560	1,379,243	1,941,746	1,325,226	1,315,006	1,405,911
Intergovernmental	3,717,677	5,454,920	4,347,485	4,683,411	4,199,971	5,136,608	5,313,490	6,299,859	6,168,445
Charges for services, net	589,478	557,289	593,756	908,601	1,057,308	1,208,166	1,084,311	1,145,326	1,228,675
Court fines and forfeitures	836,305	751,382	811,406	876,978	886,948	991,696	1,186,960	1,318,916	1,259,764
Investment income, net arbitrage	987,111	346,057	524,489	2,020,949	3,211,400	3,098,986	2,039,470	522,906	236,571
Miscellaneous	398,475	482,723	319,757	874,166	244,591	529,255	182,235	172,471	119,748
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>	<u>38,003,436</u>	<u>35,824,024</u>	<u>34,772,640</u>
<b>EXPENDITURES</b>									
General government	2,447,091	2,291,412	2,300,146	2,301,756	2,460,393	2,658,362	3,785,219	2,994,955	2,900,142
Police services	6,393,749	6,411,744	6,494,154	6,693,967	6,884,131	7,283,151	7,657,346	7,995,242	8,073,774
Judicial	172,506	170,479	176,164	183,888	181,150	189,993	212,160	218,642	374,434
Planning and zoning	616,432	578,545	587,488	568,524	636,259	636,912	607,082	716,731	685,624
Developmental services	-	-	-	-	-	-	769,796	834,007	732,396
Public works	10,738,816	9,158,419	8,967,526	8,375,518	9,682,059	6,773,775	8,762,130	5,628,196	5,819,677
Parks and recreation	1,237,505	1,251,006	1,417,304	3,669,292	2,768,369	2,848,683	3,220,587	3,450,284	3,579,510
Capital outlay	7,243,084	6,161,779	4,312,287	12,071,186	9,306,321	11,316,516	11,992,426	25,215,294	14,321,060
Debt service:									
Principal	7,187,714	8,048,468	8,523,797	12,023,986	15,804,389	27,547,419	8,464,192	13,665,000	4,190,000
Interest and fiscal charges	2,780,020	4,525,739	5,688,028	5,186,436	5,289,874	4,240,900	4,141,994	3,100,587	3,130,140
Debt issuance costs	906,064	-	344,757	671,131	-	-	211,034	308,915	-
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>	<u>49,823,966</u>	<u>64,127,853</u>	<u>43,806,757</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>	<u>(11,820,530)</u>	<u>(28,303,829)</u>	<u>(9,034,117)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Issuance of long-term debt	57,301,036	2,629,417	19,194,560	45,330,033	299,688	-	9,999,935	10,316,188	-
Sale of capital assets	177,094	109,584	65,975	111,535	160,230	156,115	182,665	276,092	189,558
Payments to escrow agent	(39,065,314)	-	(16,495,000)	-	-	-	(5,245,000)	-	-
Transfers in	13,053,101	29,354,033	28,962,676	36,987,211	28,658,350	24,786,853	15,515,877	8,677,617	7,074,387
Transfers out	(13,053,101)	(29,354,033)	(28,962,676)	(36,987,211)	(28,658,350)	(24,786,853)	(15,515,877)	(8,677,617)	(7,074,387)
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>	<u>4,937,600</u>	<u>10,592,280</u>	<u>189,558</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>	<u>(6,882,930)</u>	<u>(17,711,549)</u>	<u>(8,844,559)</u>
Debt service as a percentage of noncapital expenditures	32.67%	35.83	41.57	44.75	46.73	62.90	32.74	38.75	23.72

(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)**

Fiscal Year	Real Property			Personal Property	Railroad and Utilities	Total Taxable Assessed Total	Total Direct Tax Rate
	Residential Property	Commercial Property	Agricultural Property				
2001	\$ 1,023,122	\$ -	\$ -	\$ 235,079	\$ 17,702	\$ 1,275,903	0.06
2002	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
2008	1,171,642	467,500	1,459	289,434	14,740	1,944,775	0.03
2009	1,103,428	490,039	1,329	275,453	16,015	1,886,264	0.03
2010	1,108,180	496,507	2,068	255,632	13,744	1,876,131	0.03

Notes: (1) Assessments are determined by the Assessor of St. Louis County as of January 1.

(2) Assessments are based on a percentage of estimated actual values. Real property is classified as residential, agricultural, or commercial. Residential property is assessed at 19%, agricultural is assessed at 12%, and commercial is assessed at 32%. All railroad and utility property is assessed at 32%. All personal property is assessed at 33 1/3%. Real property is reassessed biannually in odd-numbered years.

(3) The City was incorporated on June 1, 1988. No property tax was levied by the City until 1995 when the voters approved an \$11 million general obligation bond issue for parks. The entire levy funds debt service.

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

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

	December 31									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Taxes levied on all property in the City:										
City of Chesterfield direct rate	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.030	0.030	0.030
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	0.558	0.558	0.558	0.558	0.523	0.523
Special School District	0.835	0.849	0.864	0.905	0.840	0.824	0.908	0.918	0.938	0.995
St. Louis Community College	0.230	0.232	0.231	0.237	0.223	0.223	0.200	0.201	0.214	0.218
St. Louis County Library	0.140	0.140	0.140	0.150	0.150	0.150	0.150	0.150	0.140	0.157
Metropolitan St. Louis Sewer District (Extension)	0.019	0.019	0.019	0.019	0.019	0.019	0.014	-	-	0.018
Metropolitan Zoological Park and Museum District	0.222	0.222	0.226	0.276	0.265	0.261	0.233	0.234	0.249	0.255
Sheltered Workshop	0.085	0.085	0.085	0.085	0.082	0.085	0.085	0.090	0.074	0.079
Total	2.201	2.217	2.235	2.342	2.227	2.210	2.238	2.211	2.198	2.305
School districts (2):										
Parkway	3.603	3.455	3.511	3.692	3.709	3.641	3.733	3.900	3.410	3.567
Rockwood	4.525	4.421	4.439	4.633	4.507	4.418	3.999	3.923	4.008	4.275
Fire protection districts (3):										
Metro West	1.021	0.972	0.997	1.098	1.028	1.091	1.001	1.060	0.977	1.012
Monarch	1.019	0.995	0.979	1.067	1.061	1.060	0.988	1.059	0.826	0.865

## 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.
- (4) In 2008, Metropolitan St. Louis Sewer District implemented a new impervious stormwater rate in lieu of the property tax rate.

Source: St. Louis County Collector

Table 7

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
THF Chesterfield Development LLC	\$ 49,454	1	2.64 %	\$ 20,951	2	1.64 %
Pfizer, Inc.	40,546	2	2.16	-		-
Monsanto Company	34,959	3	1.86	30,656	1	2.40
Chesterfield Mall	28,974	4	1.54	-		-
St. Lukes Episcopalian Presbyterian Hospital	16,401	5	0.87	7,479	7	0.59
Chesterfield Village, Inc.	10,673	6	0.57	-		-
FSP Timberlake Corporation	9,733	7	0.52	12,389	4	0.97
G&E Healthcare REIT Chesterfield Rehab H	7,841	8	0.42	-		-
Baxter Crossing Apartment Associates	7,768	9	0.41	-		-
NNN One Chesterfield Place LLC	6,907	10	0.37	-		-
JG St. Louis West Limited Liability Co. Gal.	-		-	16,959	3	1.33
Ameren UE	-		-	11,982	5	0.94
Realty Associates	-		-	8,896	6	0.70
Wild Horse Joint Venture	-		-	6,646	8	0.52
St. Louis County Water	-		-	5,842	9	0.46
Chesterfield Ridge Center	-		-	5,583	10	0.44
Total	<u>\$ 213,256</u>		<u>11.36 %</u>	<u>\$ 127,383</u>		<u>9.99 %</u>

Source: St. Louis County Department of Collection

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

Fiscal Year Ended December 31	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	8,353	102.2
2004	9,160	8,657	94.5	534	9,191	100.3
2005	12,158	8,786	72.3	2,764	11,550	94.9
2006	13,365	13,083	97.9	85	13,168	98.5
2007 (1)	1,042	909	87.2	37	946	90.8
2008 (2)	583	510	87.5	3	513	88.0
2009	566	478	84.5	72	550	97.2
2010	563	482	85.6	-	482	85.6

Source: St. Louis County - Collector of Revenue

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

(2) Property tax rate was reduced by 50% in 2008.

Note: Data for delinquent tax collection, excluding penalties and interest, is not available by levy year.

Table 9

**CITY OF CHESTERFIELD, MISSOURI**  
**Sales Tax Rates and Taxable Sales**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>St. Louis County</u>	<u>State Of Missouri</u>	<u>Direct And Overlapping</u>	<u>Sales Tax Revenues</u>	<u>Taxable Sales (1)</u>
2001	0.50 %	1.850 %	4.225 %	6.575 %	\$ 3,885	\$ 1,024,061
2002	0.50	1.850	4.225	6.575	3,860	1,029,096
2003	0.50	1.850	4.225	6.575	3,762	1,051,827
2004	0.50	1.850	4.225	6.575	3,940	1,148,881
2005	1.00	1.850	4.225	7.075	7,653	1,167,827
2006	1.00	1.850	4.225	7.075	9,086	1,261,810
2007	1.00	1.850	4.225	7.075	9,588	1,311,170
2008	1.00	1.850	4.225	7.075	11,538	1,251,922
2009	1.00	2.100	4.225	7.325	10,640	1,157,788
2010	1.00	2.700	4.225	7.925	10,544	1,011,597

(1) Taxable sales reported by the Missouri Department of Revenue. State Law prohibits the disclosure of specific taxpayer information.

Note: The City participates in the county-wide sales tax sharing pool, which is generally distributed based on population.

Note: The City's direct rate is made up of the following:

0.500 %	Capital improvements sales tax effective April 1997
0.500 %	Parks and stormwater sales tax effective April 2005

**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	Certificates Of Participation (3)	Less - Reserve for Debt Service			
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
2008	33,190	-	-	44,880	(1,537)	76,533	3.30	1,635
2009	21,445	-	-	53,205	-	74,650	3.09	1,595
2010	19,325	-	-	51,135	-	70,460	2.87	1,484

- 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 15 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		
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	29,335	75,345	4.87	1,610
2006	44,350	16,650	61,000	3.82	1,303
2007	34,990	-	34,990	1.85	748
2008	33,190	-	33,190	1.71	709
2009	21,445	-	21,445	1.14	458
2010	19,325	-	19,325	1.03	407

- 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 15 for population data.

**CITY OF CHESTERFIELD, MISSOURI**  
**Net Assets by Component**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2010**  
**(dollars in thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
St. Louis County	\$ 37,990	7.05 %	\$ 2,678
Monarch-Chesterfield Levee District	31,005 *	99.70	30,912
Parkway School District	143,539	24.58	35,282
Rockwood School District	228,680	27.16	62,109
Monarch Fire Protection District	1,123	73.47	825
Metro-West Fire Protection District	7,780	72.90	5,672
Subtotal, overlapping debt			<u>137,478</u>
City direct debt	19,325	100.00	<u>19,325</u>
Total direct and overlapping debt			<u><u>\$ 156,803</u></u>

Source: The above-named jurisdictions, St. Louis County Real Estate Assessment rolls, and St. Louis County report of Assessed Valuation. The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

\*2010 amount unavailable, reported 2009 amount.

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

	<b>December 31</b>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$127,590	130,882	135,929	137,792	154,831	159,710	189,328	194,478	188,626	187,613
Total net debt applicable to limit	<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>	<u>33,190</u>	<u>21,445</u>	<u>19,325</u>
Legal debt margin	<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>	<u>161,288</u>	<u>167,181</u>	<u>168,288</u>
Total net debt applicable to the limit as a percentage of debt limit	25.47 %	26.26	22.03	20.66	29.02	27.11	17.81	17.07	11.37	10.30

Legal debt margin calculation for fiscal year 2010:

Assessed value	<u>\$ 1,876,131</u>
Debt limit (10% of assessed value)	<u>\$ 187,613</u>
Debt applicable to limit	<u>19,325</u>
Legal debt margin	<u>\$ 168,288</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 Nine 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	4,084,737	1,094,383	495,000	1,076,329	0.70
2008	-	-	-	-	-	-	-	6,190,899	3,681,644	2,509,255	560,000	1,061,480	1.55
2009	-	-	-	-	-	-	-	5,748,769	3,515,332	2,233,437	1,355,000	1,334,471	0.83
2010	-	-	-	-	-	-	-	5,697,406	3,730,987	1,966,419	1,155,000	1,689,350	0.69

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**

<b>Year</b>	<b>Population</b>	<b>Personal Income</b> <i>(thousands of dollars)</i>	<b>Per Capita Personal Income</b>	<b>School Enrollment</b>		<b>Unemployment Rate</b>
				<b>Parkway School District</b>	<b>Rockwood School District</b>	
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	49,139	17,717	22,185	4.9
2008	46,802	2,321,052	49,593	19,000	22,300	5.2
2009	46,802	2,419,336	51,693	19,000	22,300	5.4
2010	47,484	2,454,590	51,693	17,467	22,480	6.6

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**

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
St. Lukes Hospital	3,645	1	10.13 %	*n/a	-	*n/a %
Delmar Gardens Enterprises	1,039	2	2.89	*n/a	-	*n/a
Parkway School District	1,027	3	2.85	*n/a	-	*n/a
McBride & Sons Management Co.	700	4	1.94	*n/a	-	*n/a
Reinsurance Group of America Inc.	607	5	1.69	*n/a	-	*n/a
Amdocs, Inc.	550	6	1.53	*n/a	-	*n/a
Monsanto Company	380	7	1.06	*n/a	-	*n/a
Rockwood School District	363	8	1.01	*n/a	-	*n/a
Technology Partners, Inc.	300	9	0.83	*n/a	-	*n/a
Ikon Office Solution	293	10	0.81	*n/a	-	*n/a
Total	<u>8,904</u>		<u>24.74 %</u>	<u>*n/a</u>		<u>*n/a %</u>

Source: Business License database from Finance Division

\*Employment information for 2001 is not available.

Table 17

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

Functions/Programs	For the years ended December 31									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government:										
Elected officials	9	9	9	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	5	4	4	5	5	3	4	4	3
Finance	6	6	6	6	6	7	7	7	7	6
Information systems	4	4	4	3	3	3	3	3	3	3
Court	3	3	3	3	3	3	3	3	3	3
Economic development	-	-	-	-	-	-	-	2	2	1
Planning	11	11	10	11	9	12	11	10	11	8.5
Police:										
Officers	86	84	86	80	79	83	86	87	89	84
Civilians	9	10	10	10	9	9	10	9	9	8
Public works:										
Engineering	14	16	16	16	15	16	17	18	21	15.5
Street maintenance	38	35	36	31	27	31	30	29	31	29
Vehicle maintenance	5	5	5	5	5	5	5	5	5	5
Building maintenance	1	6	6	6	6	6	6	7	7	6
Parks and recreation	11	12	12	18	22	24	26	30	30	33
Total	<u>203</u>	<u>208</u>	<u>209</u>	<u>204</u>	<u>202</u>	<u>217</u>	<u>219</u>	<u>225</u>	<u>233</u>	<u>216</u>

Source: Payroll Report, Finance Department

Table 18

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

Functions/Programs	For the years ended December 31									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police:										
Adult arrests	1,422	1,258	1,268	1,071	1,146	994	1,099	1,132	1,679	1,649
Juvenile arrests	474	418	378	277	343	262	281	392	236	262
Parking violations	477	449	429	475	420	487	374	423	462	381
Traffic violations	10,226	9,935	8,409	8,499	9,104	9,491	9,183	12,235	12,087	12,677
Public works:										
Street work orders completed	121	49	79	106	526	47	94	66	72	133
Sidewalk work orders completed	1,105	160	471	418	145	224	516	436	219	110
Tree trimming work orders completed	485	428	584	724	647	714	840	1,063	867	865
Storm sewer repairs	91	91	64	58	34	33	42	55	48	60
Sewer lateral repairs	90	88	84	65	63	73	100	95	78	85
Handicap accessible sidewalk ramps installed	39	10	44	21	15	23	18	21	52	-
Parks and recreation:										
Athletic field rental hours	6,228	8,109	9,909	10,195	12,365	14,305	14,160	13,293	13,648	15,283
Aquatic Center admissions	40,844	40,551	29,275	28,977	38,439	40,834	56,499	52,588	44,693	52,845
Planning:										
Zoning approvals for construction	1,204	1,277	1,609	1,392	1,471	1,223	1,192	965	1,118	933
Building permits for new construction	849	867	1,024	985	981	779	157	51	74	86
Building permits for alterations/additions	3,010	3,163	4,093	4,176	4,416	4,491	4,824	4,173	3,714	3,834
Finance and administration:										
Business licenses issued	1,608	1,479	1,723	2,189	2,010	1,902	2,293	2,128	2,081	2,080
Vending licenses issued	943	931	901	978	1,005	953	773	804	846	820
Liquor licenses issued	200	95	212	237	117	125	262	159	140	135
Solicitor licenses issued	30	36	37	32	26	30	70	40	51	51

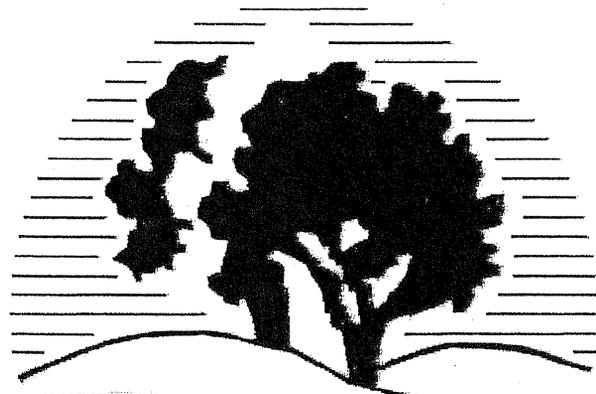
Sources: City of Chesterfield Annual Reports (2001-2010), City of Chesterfield Annual Budgets (2001-2010), various City departments

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

Functions/Programs	For the years ended December 31									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	27	30	30	30	32	35	36	36
Public works:										
Streets (miles)	150	161	161	161	161	163	167	167	167	167
Streetlights	10	10	10	10	10	10	184	184	184	184
Parks and recreation:										
Acreage	200	200	200	200	254	293	293	295	352	352
Playgrounds	2	3	3	3	3	3	3	3	2	2
Baseball/softball diamonds	12	14	24	24	25	27	27	27	29	29
Soccer fields	7	7	7	7	9	9	9	9	9	9
Football fields	-	-	-	-	2	7	7	7	7	7
Multi-purpose fields	-	-	-	-	-	2	2	2	2	2
Athletic Complex	1	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 (2001-2010), City of Chesterfield Annual Budgets (2001-2010), various City departments



**e** City of  
Chesterfield

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