

CITY OF CHESTERFIELD, MISSOURI

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2011

Report prepared and submitted by the
Finance and Administration Department

CITY OF CHESTERFIELD, MISSOURI

Comprehensive Annual Financial Report

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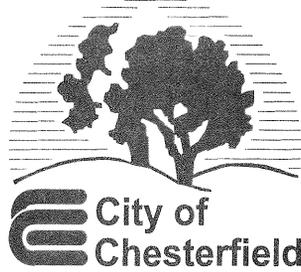
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Introductory Section



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June 22, 2012

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, 2011. This year's CAFR is the tenth 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, 2011 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, 2011 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 Finance Director/Assistant City Administrator each year. At the direction of the City Administrator, the Finance Director/Assistant City Administrator uses those 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 Finance Director/Assistant City Administrator. The City Administrator is ultimately responsible for completing the proposed budget and forwarding same 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 twenty-five hundred dollars (\$2,500) with prior approval by the Finance Director/Assistant City Administrator. Transfers within departmental budgets ranging from twenty-five hundred dollars (\$2,500) to five thousand dollars (\$5,000) can be made with prior approval by the Finance Director/Assistant City Administrator and City Administrator. Transfers within departmental budgets over five thousand dollars (\$5,000) may be made only with prior approval of a majority of the City Council. Transfers of appropriations between departments, however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriate annual budget has been adopted. For the General Fund, this comparison is presented 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 and major Capital Projects 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 increased economic activity in 2011 compared to 2010. Several new retailers back-filled existing space in the Valley, including Big Lots and Ross Dress for Less. New construction included an Aldi grocery store and Gordman's Department store, which completed the remaining undeveloped space within the Chesterfield Commons Development. Businesses throughout the Chesterfield Valley continue to perform well, with an H.H. Gregg electronics store currently under construction. In addition, approximately 55 restaurants are in operation and the Chesterfield Commons Development remains one of the largest retail developments in the country.

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. American Girl has opened their first and only Missouri store at the Chesterfield Mall. This store is projected to generate significant sales, which should also support a growth in sales among the other Mall retailers and out-parcels. One new, upscale restaurant has opened on an out-parcel, with another scheduled to open soon.

Two competing projects, proposing the construction/development of Premium Outlet Malls, within the Chesterfield Valley, have been reviewed and approved by the City. It is assumed that only one of these projects will ultimately be built. However, the result will be an influx of 2-3 million new shoppers, per year, with 80% of those "destination" shoppers being first-time visitors to Chesterfield. This is likely to generate considerable "spin-off" shopping, within the Chesterfield Valley and Chesterfield Mall, not to mention much-needed construction jobs.

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, 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 recertified at its original 100-year level of protection. The Chesterfield Valley tax increment financing ("TIF") district has substantially subsidized levee and drainage improvements, associated with this levee, which protect more than 4,000 acres. These levee improvements are part of a collaborative effort to construct a 500-year levee, and all of the necessary interior drainage improvements/infrastructure to minimize the impacts of high water flows in the Missouri River. The current levee is 5 - 8 feet higher than its predecessor, depending on location and up to triple its thickness at some locations (approx. 125 feet wide). In addition to simply raising the height and increasing the breadth of the levee, five stormwater pumping stations have been constructed and another is in progress. The Corps of Engineers also has three contracts, currently in progress, to construct the final closure structures which are necessary in order to obtain the 500-year level of protection.

Based on current projections, continued development of the entire City is inevitable. The City's assessed valuation of \$1,781,943,400 as of January 1, 2011 an increase of 283% from \$465,549,049 as of January 1, 1988, the time of the City's incorporation.

Chesterfield's unemployment has steadily lowered over the year, ending in November 2011 at 5.1%, compared to 6.3% in January. This compares favorably to St. Louis County which reported 7.5% and 9.2% respectively during the same period. Chesterfield has a diverse economy with 52.1% of jobs being in the services sector, including health care; 12.3% in finance related jobs, 11% in retail, and 10% in manufacturing. The health care segment of our economy continues to grow with the announcement of Mercy Health System's plans to construct a virtual care center, rehabilitation hospital and corporate headquarters on property in the heart of Chesterfield. This will bring a significant amount of jobs, both in construction and permanent jobs to our economy. St. Luke's Hospital, our largest employer, continues to upgrade and expand their facilities as well.

Our census numbers improved with the 2010 reporting, with a slight increase to 47,484. Due to the requirement that Chesterfield remain a member of the St. Louis County Sales Tax Pool (distribution based on population), rather than a point-of-sale city, as is our desire, the City will see a slight increase in sales tax revenues, due to our population growth. However, that increase in sales tax revenues pales by comparison to the projected revenues we would receive, as a point-of-sale city. Additionally, we continue to gain notice from developers and media outlets who are interested in our growth demographics and also our median income (\$98,059) and median home value (\$298,301) data. For the first time in several years, the City approved a site plan for a new residential development brought forward by McBride Homes, who also was responsible for buying and in filling several unfinished attached home developments in Chesterfield in 2011.

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 dollars will be available from the ½-cent sales tax to fund continued major street and sidewalk improvements well into the future.

The City continues to explore options based on a residents' survey concerning park improvements. Some recommendations from the study included exploring opportunities to partner with St. Louis County, Missouri and private providers of recreational services to acquire open space in the City, and provide walking paths and an outdoor amphitheatre and lake in the Central Park. In response to these efforts, voters passed a ½-cent sales tax for parks that took effect in April 2005. During 2006 through 2011, 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 \$3,380,000 in general obligation bonds for parks, \$805,000 in certificates of participation related to the construction of a Public Works Facility, \$12,690,000 in certificates of participation related to the City Hall, \$13,730,000 in general obligation bonds for streets and sidewalks,

\$22,125,000 in certificates of participation for Parks from 2005, and \$13,305,000 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. The City's contribution for 2011 was \$846,253 or approximately 8% of covered payroll. Total covered payroll for the year was \$10,550,916 or 95% of the total City payroll of \$11,156,513.

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, 2010. This was the 21st 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 2011. This was the 21st 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.

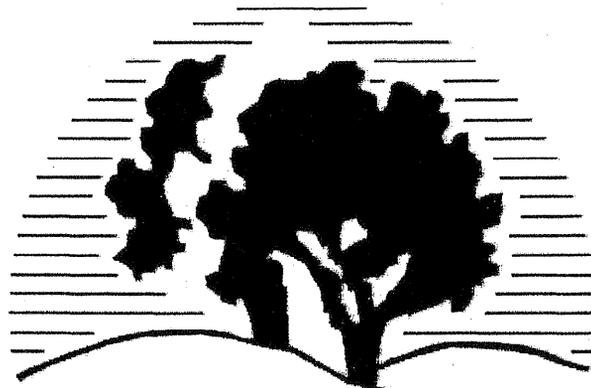
Respectfully submitted,



Michael G. Herring
City Administrator



Brian Whittle
Finance Director/Assistant City Administrator



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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

CITY OF CHESTERFIELD, MISSOURI
City Officials

MAYOR

Bruce Geiger

COUNCIL MEMBERS

Ward 1:

Barry Flachsbart

Matt Segal

Ward 2:

Derek Grier

Elliot Grissom

Ward 3:

Michael Casey

Randy Logan

Ward 4:

Connie Fults

Robert Nation

CITY ADMINISTRATOR

Michael G. Herring

**FINANCE DIRECTOR/ASSISTANT
CITY ADMINISTRATOR**

Brian Whittle

**ASSISTANT CITY
ADMINISTRATOR FOR
COMMUNITY SERVICES AND
ECONOMIC DEVELOPMENT**

Libbey Tucker

CITY CLERK

Judy Naggjar

POLICE CHIEF

Ray Johnson

**DIRECTOR OF PLANNING AND
PUBLIC WORKS**

Michael O. Geisel

CITY ATTORNEY

Robert M. Heggie

JUDGE

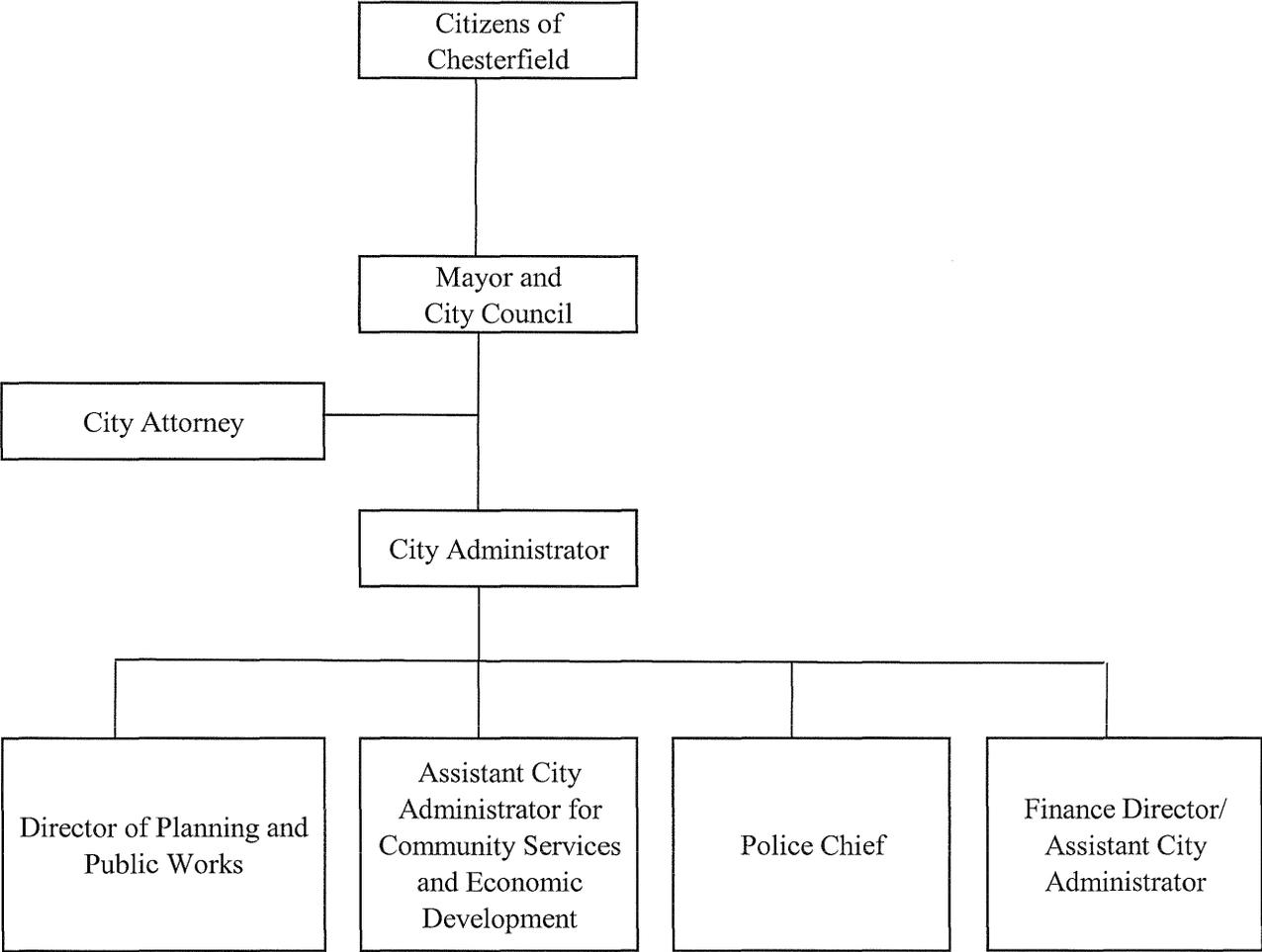
Richard K. Brunk

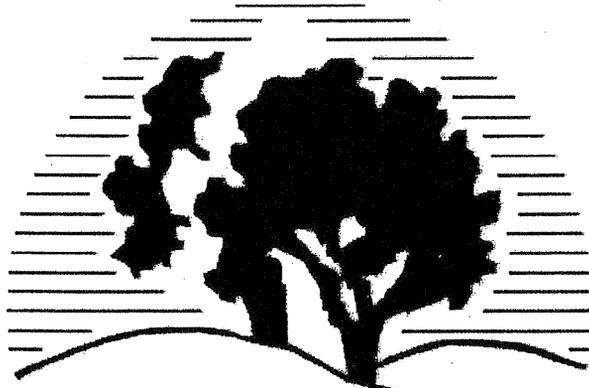
PROSECUTING ATTORNEY

Tim Engelmeyer

City of Chesterfield, Missouri

Organizational Chart 2011





E City of
Chesterfield

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Chesterfield, MO 63017
www.chesterfield.mo.us*

Financial Section



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

INDEPENDENT AUDITORS' REPORT

June 22, 2012

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, 2011, 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, 2011, 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 22, 2012, 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-

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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.

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements as a whole. The introductory section, other supplementary information as listed in the table contents, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


CERTIFIED PUBLIC ACCOUNTANT

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2011

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, 2011. 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 \$168,105,638. The City has unrestricted net assets totaling \$20,900,703.
- General revenues for governmental activities were \$26,100,332, which included \$25,059,820 (96.0%) in sales, gross receipts, and sewer lateral taxes. Property taxes accounted for \$522,890 (2.0%) of general revenues.
- Net expense from the various functions of governmental activities was \$19,674,477. General government was \$2,391,538 (12.2%), public works was \$3,986,033 (20.3%), public safety was \$7,099,703 (36.1%), parks and recreation was \$3,045,063 (15.5%), developmental services was \$490,551 (2.5%), planning was \$551,245 (2.8%), and community development was \$142,212 (0.7%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,808,131, a decrease of \$4,226,087 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,945,289 (64%) of total General Fund expenditures.
- The City's total debt decreased by \$4,425,000 (6.3%) 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, 2011

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, Police Forfeiture 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

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December 31, 2011

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

The governmental funds financial statements can be found on pages 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 67 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 \$168,105,638 increased in 2011 by approximately 4.0% as compared to the previous year.

At the end of 2011, the City had positive balances in all three categories of net assets.

The largest portion of the City's net assets, \$144,327,104 in 2011 (an increase of approximately 8.0% from 2010), 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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		Governmental Activities	
		December 31	
		2011	2010
Assets			
Current and other assets	\$	27,565,099	33,484,388
Capital assets, not depreciated		116,300,985	122,986,793
Capital assets, net		95,089,056	82,191,217
Total assets		238,955,140	238,662,398
Liabilities			
Long-term liabilities		67,812,032	72,297,224
Other liabilities		3,037,470	4,685,391
Total liabilities		70,849,502	76,982,615
Net Assets			
Invested in capital assets, net of related debt		144,327,104	133,596,730
Restricted		2,877,831	14,721,699
Unrestricted		20,900,703	13,361,354
Total net assets	\$	168,105,638	161,679,783

An additional portion of the City's net assets, \$2,877,831 in 2011, 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 \$20,900,703 in 2011 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 \$6,425,855. Key elements of this are as follows:

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	Governmental Activities	
	For the years	
	ended December 31	
	2011	2010
Revenues		
Program revenues:		
Charges for services	\$ 3,369,156	3,258,018
Operating grants and contributions	4,713,574	5,815,138
Capital grants and contributions	2,695,237	7,659,799
General revenues:		
Taxes	25,582,710	25,121,228
Investment income	188,313	236,571
Miscellaneous	329,309	105,808
Total revenues	36,878,299	42,196,562
Expenses		
General government	3,073,389	3,219,111
Parks and recreation	5,282,321	4,735,969
Judicial	236,646	260,387
Planning	590,622	693,488
Developmental services	490,551	729,214
Public works	9,952,319	11,437,429
Public safety	7,720,308	8,275,428
Community development	151,522	209,657
Interest and fiscal charges	2,954,766	3,094,375
Total expenses	30,452,444	32,655,058
Changes in net assets	6,425,855	9,541,504
Net assets - beginning of year	161,679,783	152,138,279
Net assets - end of year	\$ 168,105,638	161,679,783

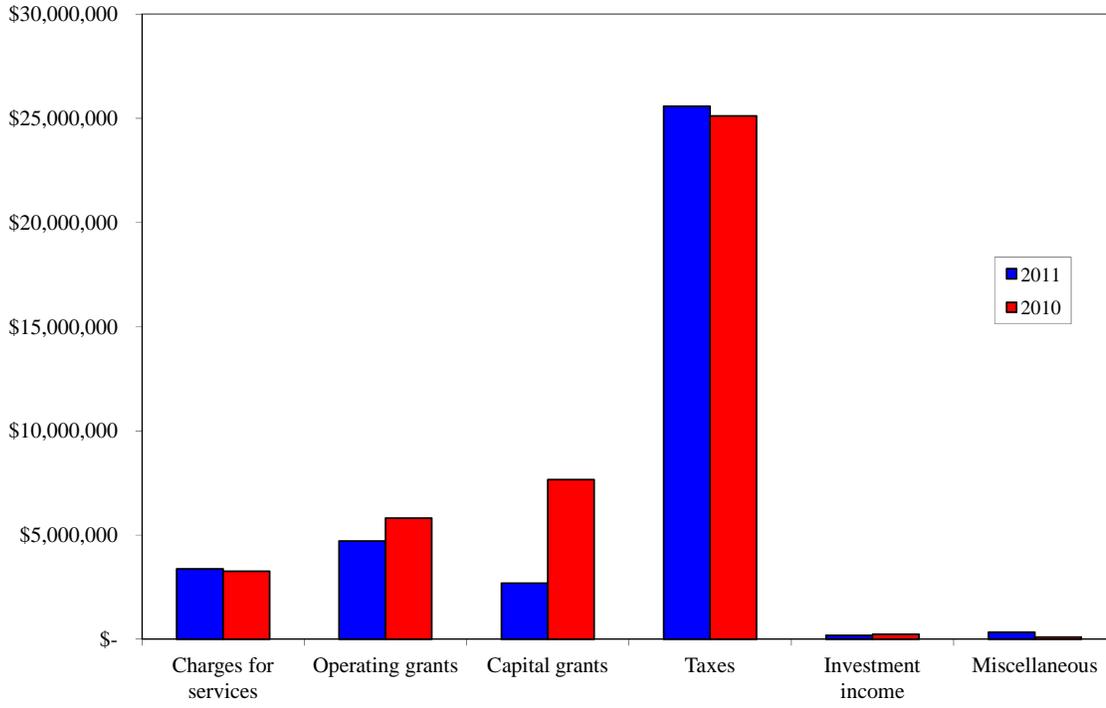
Changes in Net Assets

For 2011 the City's total revenues on a government-wide basis were \$36,878,299, a decrease of \$5,318,263 as compared to 2010. This decrease was primarily attributable to a capital donation in 2010.

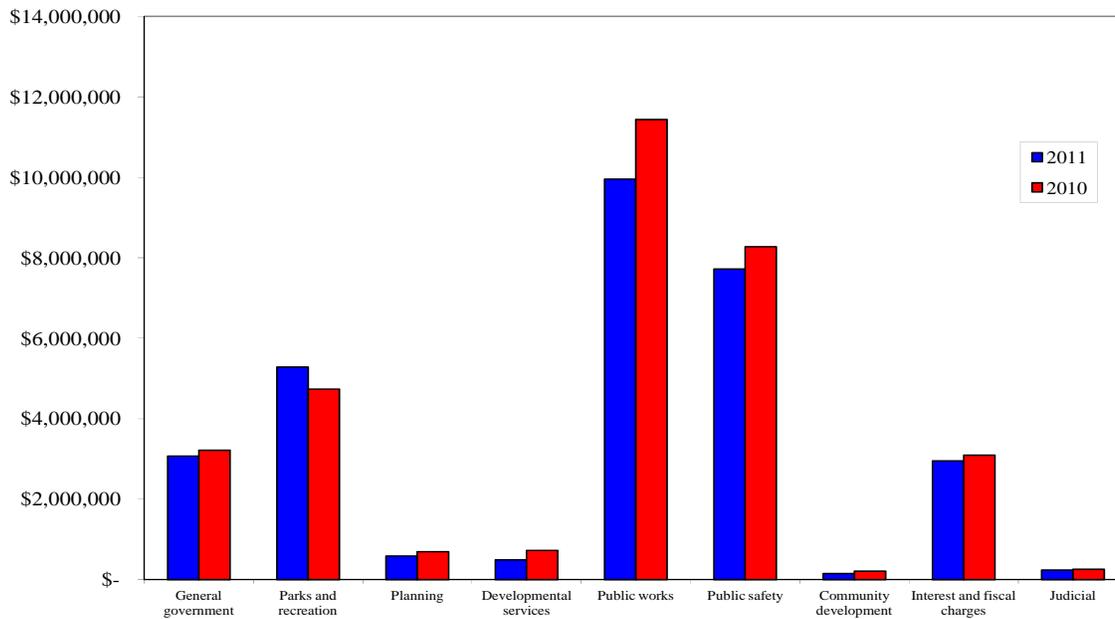
Total revenues decreased \$5,318,263 (12.6%) from last year and total expenses decreased \$2,202,614 (6.7%) from last year. As a result of the current year activity, the change in net assets had a decrease of \$3,115,649 (32.7%).

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City of Chesterfield, Missouri
Revenues by Source Comparison

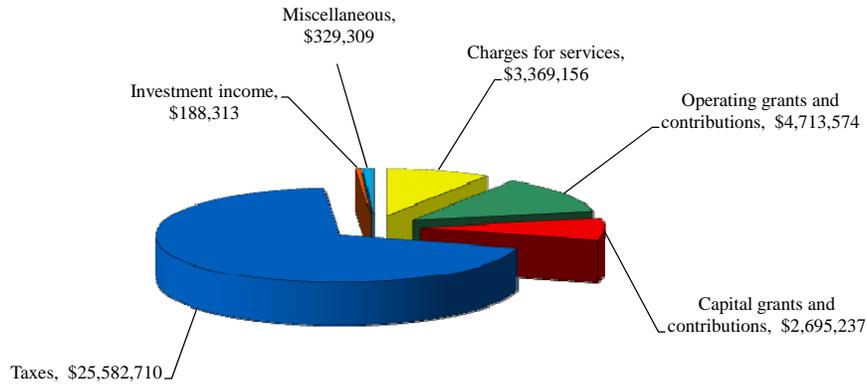


City of Chesterfield, Missouri
Expenses by Function Comparison

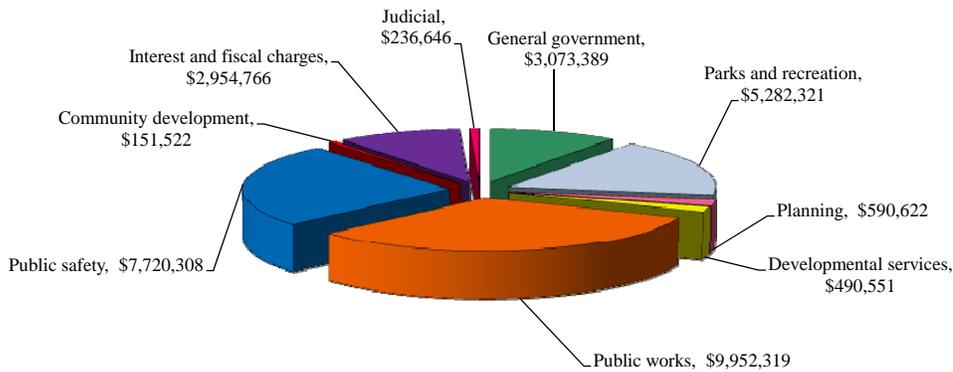


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City of Chesterfield, Missouri
Revenues by Source for Fiscal Year 2011



City of Chesterfield, Missouri
Expenses by Function for Fiscal Year 2011



City of Chesterfield, Missouri
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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, unassigned 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 2011, the unassigned fund balance of the General Fund was \$11,945,289, while the total fund balance was \$14,067,915. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 58.8% of total General Fund expenditures and transfers out of \$20,302,918, while total fund balance represents 69.3% of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund increased by \$728,572 (5.5%) from the prior year fund balance compared to a \$884,245 (6.2%) decrease in 2010. The change of the current year's fund balance is mainly due to:

- Sales taxes increased \$262,948 from the prior year.
- Other financing uses were \$635,837 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 2011 with fund balance of \$3,322,219, a decrease of \$294,155 (8.1%) over the prior year. This ½ cent sales tax generated total revenue of \$5,790,849 in 2011, an increase of \$93,443 (1.6%). The Fund transferred \$2,826,226 to other funds for debt service expenditures.
- Capital Improvement Sales Tax Trust Fund ended the year with fund balance of \$625,627, an increase of 5.8% from the prior year. The increase was due to a 1.6% increase in sales tax collections. The Trust Fund transferred \$1,996,914 to other funds for debt service expenditures.
- Parks Construction Fund decreased by \$4,322,221 (57.7%). The expected decrease was due to \$4,668,218 in capital outlay.

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

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- 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 2011, cash and cash equivalents had increased \$293,956 (to \$2,687,929) from 2010 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 2011 was \$19,443,628, which differs from the original adopted budget of \$17,980,705 by \$1,462,923. The change in budget was a result of one-time projects approved during 2011.

After transfers, the General Fund ended the year with an operating increase of \$728,572. This increase was \$1,566,633 higher than the estimated decrease of (\$838,061) from the final revised budget as a result of higher than expected revenues, management of budgetary expenditures, and the timing of capital projects. Most revenue categories performed close to budget. As a result, total revenues were \$795,125 (4%) higher than the estimated amount of \$20,004,693.

Capital Assets

The City has invested \$211,390,041 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 \$6,212,031. In 2011, the City's capital asset detail was as follows:

Capital Assets, Net of Depreciation		
December 31		
	2011	2010
Land	\$ 31,674,343	31,124,538
Right-of-way	80,986,776	79,499,251
Buildings and other improvements	43,058,710	32,684,305
Machinery and equipment	1,871,067	1,891,734
Automobiles and trucks	1,895,954	2,140,229
Infrastructure (including construction-in-progress)	51,903,191	57,837,953
Total	\$ 211,390,041	205,178,010

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

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Management's Discussion and Analysis
December 31, 2011

Long-term Debt

At the end of December 2011, the City had outstanding long-term debt obligations for governmental activities in the amount of \$67,812,032 compared to \$72,297,224 in 2010. Of this amount, \$17,110,000 is general obligation bonds. Certificates of participation outstanding totaled \$48,925,000. The 6.2% or \$4,485,192 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:

	Outstanding Long-term Debt Obligations		
	December 31		Percent Change
	2011	2010	
Certificates of Participation Series 2002	\$ 805,000	990,000	(18.7%)
Certificates of Participation (Government Center) Series 2004	12,690,000	13,475,000	(5.8)
Certificates of Participation (Park) Series 2005	22,125,000	22,895,000	(3.4)
Certificates of Participation (Park) Series 2008	4,225,000	4,390,000	(3.8)
Certificates of Participation (Park) Series 2009A	3,385,000	3,690,000	(8.3)
Certificates of Participation (Park) Series 2009B	5,695,000	5,695,000	-
General Obligation Bonds (R&S) Series 2005	13,730,000	15,155,000	(9.4)
General Obligation Bonds (Parks) Series 2008	3,380,000	4,170,000	(18.9)
Total	<u>\$ 66,035,000</u>	<u>70,460,000</u>	(6.3%)

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 2011 was \$178,194,340.

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 2012 annual budget for General Fund expenditures is \$18,751,492, a decrease of \$692,136 (6.2%) from the 2011 amended budget. The large decrease is a result of the completion of projects in 2011.
- Capital Improvement Fund expense budget for 2012 is \$4,608,801, an increase of \$1,433,118 from the 2011 amended budget. The increase is mostly related to a one-time project planned for 2012.
- Park Sales Tax Fund expense budget for 2012 is \$4,252,216, a decrease of \$618,959 from the 2011 amended budget.
- The City budgeted a small increase in sales tax revenue for 2011. The City will closely monitor sales tax receipts throughout the year and amend the budget if necessary.

City of Chesterfield, Missouri
Management's Discussion and Analysis
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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 Finance Director/Assistant City Administrator, 690 Chesterfield Parkway West, Chesterfield, MO 63017-0760.

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CITY OF CHESTERFIELD, MISSOURI
Statement of Net Assets
December 31, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 19,776,536
Receivables, net	6,419,497
Due from Agency Fund	21,371
Deferred charges	1,025,574
Other assets	322,121
Capital assets not being depreciated	116,300,985
Capital assets, net of accumulated depreciation	<u>95,089,056</u>
Total assets	<u>238,955,140</u>
LIABILITIES	
Accounts payable and accrued liabilities	1,354,159
Accrued salaries and other benefits	460,757
Accrued interest payable	611,729
Unearned revenue	340,624
Other liabilities	270,201
Long-term liabilities:	
Due within one year	5,346,183
Due in more than one year	<u>62,465,849</u>
Total liabilities	<u>70,849,502</u>
NET ASSETS	
Invested in capital assets, net of related debt	144,327,104
Restricted:	
Administration	190,548
Capital project	625,627
Debt service	1,030,745
Public safety	195,932
Sewer lateral repair project	834,979
Unrestricted	<u>20,900,703</u>
Total net assets	<u>\$ 168,105,638</u>

CITY OF CHESTERFIELD, MISSOURI
Statement of Activities
For the year ended December 31, 2011

<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>		<u>Capital Grants and Contributions</u>
Primary Government					
Governmental activities:					
General government	\$ 3,073,389	681,851	-	-	(2,391,538)
Parks and recreation	5,282,321	1,210,006	134,900	892,352	(3,045,063)
Judicial	236,646	1,223,280	-	-	986,634
Planning	590,622	39,377	-	-	(551,245)
Developmental services	490,551	-	-	-	(490,551)
Public works	9,952,319	154,180	4,009,221	1,802,885	(3,986,033)
Public safety	7,720,308	51,152	569,453	-	(7,099,703)
Community development	151,522	9,310	-	-	(142,212)
Interest and fiscal charges	2,954,766	-	-	-	(2,954,766)
Total governmental activities	<u>\$ 30,452,444</u>	<u>3,369,156</u>	<u>4,713,574</u>	<u>2,695,237</u>	<u>(19,674,477)</u>
General revenues:					
Taxes:					
Property taxes, levied for debt service					522,890
Sales and local use taxes:					
Parks and capital management					10,714,492
Intergovernmental - pooled sales tax					5,823,479
Gross receipts taxes (includes franchise tax)					7,970,597
Miscellaneous taxes (includes sewer lateral)					551,252
Unrestricted interest earnings					188,313
Grants and contributions not restricted to specific programs					120,957
Miscellaneous					208,352
Total general revenues					<u>26,100,332</u>
Changes in net assets					6,425,855
Net assets - beginning of year					<u>161,679,783</u>
Net assets - end of year					<u>\$ 168,105,638</u>

CITY OF CHESTERFIELD, MISSOURI
Balance Sheet
Governmental Funds
December 31, 2011

	<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>
ASSETS						
Cash and investments	\$ 11,768,756	2,285,196	-	3,325,794	2,396,790	19,776,536
Receivables, net:						
Municipal taxes	1,493,542	1,001,611	851,592	-	394,861	3,741,606
Intergovernmental	1,415,965	124,900	41,848	-	-	1,582,713
Interest	557	-	-	42	-	599
Other	1,094,579	-	-	-	-	1,094,579
Due from other funds	31,595	66,982	-	-	-	98,577
Prepays	315,421	6,700	-	-	-	322,121
Total assets	<u>\$ 16,120,415</u>	<u>3,485,389</u>	<u>893,440</u>	<u>3,325,836</u>	<u>2,791,651</u>	<u>26,616,731</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ 1,040,195	106,279	37,621	152,859	17,205	1,354,159
Accrued salaries and other benefits	401,138	53,614	6,005	-	-	460,757
Due to other funds	6,503	-	2,787	7,175	60,741	77,206
Deferred revenue	555,863	3,277	-	-	87,137	646,277
Other liabilities	48,801	-	221,400	-	-	270,201
Total liabilities	<u>2,052,500</u>	<u>163,170</u>	<u>267,813</u>	<u>160,034</u>	<u>165,083</u>	<u>2,808,600</u>
Fund balances						
Nonspendable:						
Prepays	315,421	6,700	-	-	-	322,121
Restricted for:						
Public safety	114,189	-	-	-	81,743	195,932
Sewer lateral	-	-	-	-	834,979	834,979
Debt service	-	-	-	-	934,501	934,501
Capital projects	-	-	625,627	-	-	625,627
Administration	190,548	-	-	-	-	190,548
Committed to:						
Administration	35,000	-	-	-	-	35,000
Capital projects	1,467,468	-	-	3,165,802	775,345	5,408,615
Parks	-	768,075	-	-	-	768,075
Assigned for:						
Parks	-	2,547,444	-	-	-	2,547,444
Unassigned	11,945,289	-	-	-	-	11,945,289
Total fund balances	<u>14,067,915</u>	<u>3,322,219</u>	<u>625,627</u>	<u>3,165,802</u>	<u>2,626,568</u>	<u>23,808,131</u>
Total liabilities and fund balances	<u>\$ 16,120,415</u>	<u>3,485,389</u>	<u>893,440</u>	<u>3,325,836</u>	<u>2,791,651</u>	<u>26,616,731</u>

CITY OF CHESTERFIELD, MISSOURI
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2011

Total fund balances - governmental funds	\$ 23,808,131
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 (\$289,875,110) exceeded accumulated depreciation (\$78,485,069) as of December 31, 2011.	211,390,041
Property taxes are assessed by the City, but are not collected as of December 31, 2011 and deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	87,137
Court fines receivable as of December 31, 2011 are deferred within the governmental funds financial statements. This amount is recognized in the government-wide financial statements.	218,516
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, 2011 are:	
Accrued compensated absences, vacation, and compensatory time-off	(749,095)
Accrued interest on outstanding debts as of year-end 2011	(611,729)
Bonds, notes payable, and lease obligations outstanding	(66,035,000)
Unamortized bond premium	(1,027,937)
Unamortized bond issuance cost	1,025,574
	1,025,574
Total net assets of governmental activities	\$ 168,105,638

CITY OF CHESTERFIELD, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2011

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Parks Sales Tax	Capital Improvement		Other Governmental Funds	
			Sales Tax Trust	Parks Construction		
REVENUES						
Municipal taxes	\$ 13,046,895	5,790,849	4,923,643	-	952,753	24,714,140
Licenses and permits	1,429,034	-	-	-	-	1,429,034
Intergovernmental	4,653,293	134,900	106,074	342,547	184,806	5,421,620
Charges for services, net	103,901	1,202,107	-	-	-	1,306,008
Court fines and forfeitures	1,226,101	-	-	-	-	1,226,101
Investment income	133,592	32,903	-	3,450	18,368	188,313
Miscellaneous	207,001	9,158	14,396	-	2,978	233,533
Total revenues	<u>20,799,817</u>	<u>7,169,917</u>	<u>5,044,113</u>	<u>345,997</u>	<u>1,158,905</u>	<u>34,518,749</u>
EXPENDITURES						
Current:						
Legislative	66,986	-	-	-	-	66,986
Administrative	2,623,408	-	-	-	-	2,623,408
Police services	7,445,400	-	-	-	45,776	7,491,176
Judicial	237,756	-	-	-	-	237,756
Planning and zoning	573,495	-	-	-	-	573,495
Developmental services	489,578	-	-	-	-	489,578
Public works	5,050,157	-	177,795	-	282,556	5,510,508
Parks and recreation	-	4,533,143	-	-	-	4,533,143
Capital outlay	2,163,689	104,703	2,854,871	4,668,218	148,601	9,940,082
Debt service:						
Principal	-	-	-	-	4,425,000	4,425,000
Interest and fiscal charges	-	-	-	-	2,995,968	2,995,968
Total expenditures	<u>18,650,469</u>	<u>4,637,846</u>	<u>3,032,666</u>	<u>4,668,218</u>	<u>7,897,901</u>	<u>38,887,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,149,348</u>	<u>2,532,071</u>	<u>2,011,447</u>	<u>(4,322,221)</u>	<u>(6,738,996)</u>	<u>(4,368,351)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	89,409	-	20,000	-	6,407,913	6,517,322
Transfers out	(1,652,449)	(2,826,226)	(1,996,914)	-	(41,733)	(6,517,322)
Sale of capital assets	142,264	-	-	-	-	142,264
Total other financing sources (uses), net	<u>(1,420,776)</u>	<u>(2,826,226)</u>	<u>(1,976,914)</u>	<u>-</u>	<u>6,366,180</u>	<u>142,264</u>
Net change in fund balances	728,572	(294,155)	34,533	(4,322,221)	(372,816)	(4,226,087)
Fund balances:						
Beginning of year	13,339,343	3,616,374	591,094	7,488,023	2,999,384	28,034,218
End of year	<u>\$ 14,067,915</u>	<u>3,322,219</u>	<u>625,627</u>	<u>3,165,802</u>	<u>2,626,568</u>	<u>23,808,131</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, 2011

Net change in fund balances - governmental funds \$ (4,226,087)

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 \$10,834,440 exceeded depreciation (\$6,530,850) in the current period. 4,303,590

The net effect of various miscellaneous transactions involving capital assets:

Disposal of assets	(444,249)	
Contributed capital assets	2,352,690	1,908,441

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	(10,653)
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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.	17,513
--	--------

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	4,425,000
--	-----------

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	(33,151)	
Accrued interest on bonds	43,883	
Amortized bond issuance cost	(96,024)	
Amortized bond premium	93,343	8,051

Change in net assets of governmental activities	\$ 6,425,855
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CITY OF CHESTERFIELD, MISSOURI
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ <u>2,687,929</u>
LIABILITIES	
Accounts payable	\$ 100,616
Due to other funds	21,371
Deposits held in escrow	<u>2,565,942</u>
Total liabilities	<u>\$ 2,687,929</u>

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

(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 financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an Amendment of GASB 14*. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's governing body or because the component unit will provide a financial benefit or impose a financial burden on the City. It was determined that the City does not have any component 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.

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,

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

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 year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

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.

(d) *Encumbrances*

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

(e) *Cash and Cash Equivalents*

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

(f) *Investments*

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

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

(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 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 \$749,095 has been recorded in the government-wide financial statements.

(i) Capital Contributions

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

(j) Interfund Transactions

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

Transfers

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

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

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) *Governmental Fund Balance Classification and Policies*

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action (ordinance) of the City Council, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the City Council has designated authority.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

Per City policy, unassigned fund balance of not less than 40% of annual operating expenditures and transfers for the fiscal year will be maintained for the General Fund. Fund balance of not less than 40% of annual operating expenditures for the fiscal year will be maintained for the parks Sales Tax Fund.

(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

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(o) Use of Estimates

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

(2) Cash and Investments

State statutes authorize Missouri local governments to invest in obligations of the 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, 2011, 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, 2011:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Fiduciary Net Assets	Total
Cash and cash equivalents	\$ 19,325,933	2,687,929	22,013,862
Investments	450,603	-	450,603
Total	\$ 19,776,536	2,687,929	22,464,465

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, 2011:

	Fair Value	No Maturity	1 - 5 Years
Primary Government			
Money market	\$ 4,994,292	4,994,292	-
U.S. agency securities	450,603	-	450,603
Total primary government	\$ 5,444,895	4,994,292	450,603

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

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.

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, 2011, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government.

	Fair Value	Average Credit Quality (Moody's)
Money market*	\$ 4,994,292	Unrated
U.S. agency securities	450,603	AAA
* 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.

	Fair Value	Percent of Total Investments
Money market*	\$ 4,994,292	91.7 %
U.S. agency securities	450,603	8.3
* Collateralized by U.S. Treasury securities		

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

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 prequalifying institutions with which the City places investments, diversifying the investment portfolio, and maintaining a standard of quality for investments.

(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>
Governmental Activities					
General Fund	\$ 1,493,542	1,415,965	557	1,094,579	4,004,643
Parks Sales Tax Fund	1,001,611	124,900	-	-	1,126,511
Capital Improvement Sales Tax Trust Fund	851,592	41,848	-	-	893,440
Parks Construction Fund	-	-	42	-	42
Nonmajor Other Governmental Funds	394,861	-	-	-	394,861
Total governmental activities	<u>\$ 3,741,606</u>	<u>1,582,713</u>	<u>599</u>	<u>1,094,579</u>	<u>6,419,497</u>

(4) Capital Assets

The following is a summary of changes in capital assets - governmental activities for the year ended December 31, 2011:

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

	<u>Balance December 31 2010</u>	<u>Transfers And Additions</u>	<u>Transfers And Retirements</u>	<u>Balance December 31 2011</u>
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 31,124,538	549,805	-	31,674,343
Right-of-way	79,499,251	1,802,885	315,360	80,986,776
Construction in progress	12,363,004	4,092,419	12,815,557	3,639,866
Total capital assets not being depreciated	<u>122,986,793</u>	<u>6,445,109</u>	<u>13,130,917</u>	<u>116,300,985</u>
<i>Capital assets being depreciated:</i>				
Buildings	22,239,556	4,327,795	-	26,567,351
Other improvements	21,741,869	7,801,552	-	29,543,421
Machinery and equipment	4,976,933	522,173	111,129	5,387,977
Automobiles and trucks	4,175,885	467,721	381,873	4,261,733
Infrastructure	102,431,912	6,438,337	1,056,606	107,813,643
Total capital assets being depreciated	<u>155,566,155</u>	<u>19,557,578</u>	<u>1,549,608</u>	<u>173,574,125</u>
<i>Less - Accumulated depreciation for:</i>				
Buildings	4,178,260	608,014	-	4,786,274
Other improvements	7,118,860	1,146,928	-	8,265,788
Machinery and equipment	3,085,199	517,460	85,749	3,516,910
Automobiles and trucks	2,035,656	608,487	278,364	2,365,779
Infrastructure	56,956,963	3,649,961	1,056,606	59,550,318
Total accumulated depreciation	<u>73,374,938</u>	<u>6,530,850</u>	<u>1,420,719</u>	<u>78,485,069</u>
Total capital assets being depreciated, net	<u>82,191,217</u>	<u>13,026,728</u>	<u>128,889</u>	<u>95,089,056</u>
Governmental activities - capital assets, net	<u>\$ 205,178,010</u>	<u>19,471,837</u>	<u>13,259,806</u>	<u>211,390,041</u>

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

Governmental Activities	
General government	\$ 534,464
Parks and recreation	1,453,448
Planning	13,301
Public works	4,302,266
Public safety	227,371
Total depreciation expense, governmental activities	<u>\$ 6,530,850</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, 2011

(6) Restricted Net Assets

The government-wide statement of net assets reports \$2,877,831 of restricted net assets, of which \$1,847,086 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 2011, 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 2011 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 2011 premium payments to the trust were \$406,779.

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, 2011

(10) Retirement Plan

In 1989, the City established a money purchase retirement plan (a defined contribution plan) funded through Manufacturers Life Insurance Company. In 2005, the City switched the administrator to Hartford Investment. All employees are eligible to participate in the plan after they have completed one year of service and attained the age of 18. Per City ordinance, the City contributes an amount equal to 8% of compensation of eligible participants. No contribution is required from employees. All employees are fully vested (100%) after five years of credited service. The City's contribution for 2011 was \$846,253 or 8% of covered payroll less any forfeitures from terminated nonvested employees.

Total covered payroll for the year was \$10,550,916 or 95% of the total City payroll of \$11,156,513.

(11) Interfund Balances

Individual fund interfund receivable and payable balances as of December 31, 2011 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Sales Tax Trust Fund	\$ 2,787
General Fund	Parks Construction Fund	7,175
General Fund	Nonmajor Other Governmental Funds	262
General Fund	Court Bond Agency Fund	21,371
Parks Sales Tax Fund	Nonmajor Other Governmental Funds	60,479
Parks Sales Tax Fund	General Fund	6,503
Total		<u>\$ 98,577</u>

All of these interfund balances are due to either timing differences or to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2012.

(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, 2011 are as follows:

2012	\$ 35,647
2013	34,864
2014	<u>1,516</u>
Total	<u>\$ 72,027</u>

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

(13) Long-term Debt

The following is a summary of the changes in long-term debt for the year ended December 31, 2011:

	<u>Balance December 31 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31 2011</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 715,944	1,046,512	(1,013,361)	749,095	701,183
General obligation bonds	19,325,000	-	(2,215,000)	17,110,000	2,270,000
Plus - Issuance premium	228,925	-	(26,348)	202,577	-
Certificates of participation	51,135,000	-	(2,210,000)	48,925,000	2,375,000
Plus - Issuance premium	892,355	-	(66,995)	825,360	-
Total	<u>\$72,297,224</u>	<u>1,046,512</u>	<u>(5,531,704)</u>	<u>67,812,032</u>	<u>5,346,183</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, 2011 are as follows:

<u>December 31</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	1,715,000	282,301	1,997,301
2017 - 2019	5,750,000	372,139	6,122,139
Total	<u>\$ 17,110,000</u>	<u>2,608,509</u>	<u>19,718,509</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, 2011

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, 2011

The annual principal and interest requirements to maturity of the certificates of participation as of December 31, 2011 are as follows:

<u>December 31</u>	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	2,845,000	1,727,799	4,572,799
2017 - 2021	17,630,000	6,533,269	24,163,269
2022 - 2026	13,725,000	2,541,379	16,266,379
2027 - 2031	4,250,000	528,980	4,778,980
Total	<u>\$ 48,925,000</u>	<u>19,271,180</u>	<u>68,196,180</u>

(14) Interfund Transfers

Individual fund transfers for the year ended December 31, 2011 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	20,000	-	-	-	20,000
Nonmajor Other Governmental Funds	1,632,449	2,778,550	1,996,914	-	6,407,913
Total	<u>\$ 1,652,449</u>	<u>2,826,226</u>	<u>1,996,914</u>	<u>41,733</u>	<u>6,517,322</u>

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

(15) Commitments and Contingencies

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

(16) Pledged Revenues

The City has pledged a portion of future parks sales tax revenues to repay \$25,710,000 in certificates of participation (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

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2011

principal and interest remaining on the bonds is \$50,915,738 payable through December 2031. For the current year, principal and interest paid and total sales tax revenues were \$2,899,510 and \$5,790,849, respectively.

(17) Federal Forfeiture Activity

The City had no revenues, expenditures, or ending balances as of December 31, 2011.

Required Supplementary Information

CITY OF CHESTERFIELD, MISSOURI
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the year ended December 31, 2011

Schedule 1

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Municipal taxes:				
Utility gross receipts	\$ 7,154,672	7,154,672	7,223,415	.68,743
Sales taxes	5,405,272	5,405,272	5,823,480	418,208
Total municipal taxes	<u>12,559,944</u>	<u>12,559,944</u>	<u>13,046,895</u>	<u>486,951</u>
Licenses and permits	<u>1,392,792</u>	<u>1,392,792</u>	<u>1,429,034</u>	<u>36,242</u>
Intergovernmental:				
Motor fuel and vehicle sales taxes	1,778,638	1,778,638	1,755,312	(23,326)
Cigarette tax	140,680	140,680	132,042	(8,638)
Road and bridge tax	1,858,297	1,858,297	1,880,735	22,438
Grants and other	421,181	786,071	885,204	99,133
Total intergovernmental	<u>4,198,796</u>	<u>4,563,686</u>	<u>4,653,293</u>	<u>89,607</u>
Charges for services:				
Inspection and subdivision fees	27,750	27,750	22,951	(4,799)
Zoning applications	1,649	1,649	19,355	17,706
Police reports	6,000	6,000	7,257	1,257
False alarms	32,500	32,500	22,300	(10,200)
Other charges	18,500	18,500	32,038	13,538
Total charges for services	<u>86,399</u>	<u>86,399</u>	<u>103,901</u>	<u>17,502</u>
Court fines and forfeitures	<u>1,255,372</u>	<u>1,255,372</u>	<u>1,226,101</u>	<u>(29,271)</u>
Investment income	<u>120,000</u>	<u>120,000</u>	<u>133,592</u>	<u>13,592</u>
Miscellaneous	<u>26,500</u>	<u>26,500</u>	<u>207,001</u>	<u>180,501</u>
Total revenues	<u>19,639,803</u>	<u>20,004,693</u>	<u>20,799,817</u>	<u>795,124</u>
EXPENDITURES	<u>17,980,705</u>	<u>19,443,628</u>	<u>18,650,469</u>	<u>793,159</u>
Excess of revenues over expenditures	<u>1,659,098</u>	<u>561,065</u>	<u>2,149,348</u>	<u>1,588,283</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	89,409	89,409	89,409	-
Transfers out	(1,633,423)	(1,653,423)	(1,652,449)	(974)
Sale of capital assets	161,428	164,888	142,264	(22,624)
Total other financing sources (uses), net	<u>(1,382,586)</u>	<u>(1,399,126)</u>	<u>(1,420,776)</u>	<u>(21,650)</u>
Net change in fund balance	<u>\$ 276,512</u>	<u>(838,061)</u>	<u>728,572</u>	<u>1,566,633</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, 2011

Schedule 1

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
General government:				
Legislative - Mayor's Office and City Council:				
Personal services	\$ 66,316	66,316	63,611	2,705
Contractual services	10,600	10,600	2,650	7,950
Commodities	800	800	725	75
Total legislative	<u>77,716</u>	<u>77,716</u>	<u>66,986</u>	<u>10,730</u>
Administrative:				
City clerk:				
Personal services	164,217	164,217	160,429	3,788
Contractual services	51,475	51,396	25,893	25,503
Commodities	450	529	462	67
City Administrator:				
Personal services	254,616	259,016	258,955	61
Contractual services	9,665	9,640	8,276	1,364
Commodities	125	150	146	4
Community development:				
Personal services	125,577	125,577	121,957	3,620
Contractual services	44,250	39,225	28,085	11,140
Commodities	500	525	515	10
Finance:				
Personal services	444,567	430,767	429,383	1,384
Contractual services	133,088	133,088	112,376	20,712
Commodities	3,275	3,275	1,563	1,712
Central services:				
Personal services	120,000	120,000	95,041	24,959
Contractual services	989,056	1,054,056	1,014,486	39,570
Commodities	42,500	42,500	30,274	12,226
Information systems:				
Personal services	230,109	230,109	225,210	4,899
Contractual services	112,500	107,950	95,715	12,235
Commodities	16,600	16,600	14,642	1,958
Capital outlay	16,000	19,460	15,528	3,932
Total administrative	<u>2,758,570</u>	<u>2,808,080</u>	<u>2,638,936</u>	<u>169,144</u>
Police services:				
Personal services	7,127,872	7,127,872	6,897,079	230,793
Contractual services	483,808	464,571	417,734	46,837
Commodities	167,205	142,456	130,587	11,869
Capital outlay	271,300	321,045	291,247	29,798
Total police services	<u>8,050,185</u>	<u>8,055,944</u>	<u>7,736,647</u>	<u>319,297</u>
Judicial:				
Personal services	168,179	172,879	172,716	163
Contractual services	60,115	64,615	64,469	146
Commodities	400	600	571	29
Total judicial	<u>228,694</u>	<u>238,094</u>	<u>237,756</u>	<u>338</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, 2011

Schedule 1

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES (continued)				
General government (continued):				
Planning and zoning:				
Personal services	536,300	536,300	534,695	1,605
Contractual services	33,975	42,975	37,042	5,933
Commodities	2,000	2,000	1,758	242
Total planning and zoning	<u>572,275</u>	<u>581,275</u>	<u>573,495</u>	<u>7,780</u>
Developmental services:				
Personal services	449,462	449,462	446,751	2,711
Contractual services	77,480	55,544	39,480	16,064
Commodities	8,500	7,700	3,347	4,353
Capital outlay	-	800	773	27
Total developmental services	<u>535,442</u>	<u>513,506</u>	<u>490,351</u>	<u>23,155</u>
Public works:				
Administration and engineering:				
Personal services	623,756	623,756	612,537	11,219
Contractual services	136,855	117,354	107,950	9,404
Commodities	15,500	15,500	9,583	5,917
Capital outlay	18,500	143,504	139,757	3,747
Street and sewer maintenance:				
Personal services	1,656,275	1,656,275	1,545,201	111,074
Contractual services	578,775	564,645	524,608	40,037
Commodities	526,180	550,460	533,761	16,699
Capital outlay	415,000	425,825	396,607	29,218
Vehicle maintenance:				
Personal services	337,859	337,859	337,433	426
Contractual services	263,300	219,300	207,767	11,533
Commodities	427,500	464,500	464,352	148
Capital outlay	33,600	40,600	40,413	187
Building maintenance:				
Personal services	344,723	344,723	339,708	5,015
Contractual services	299,500	308,775	308,733	42
Commodities	53,500	46,900	39,467	7,433
Capital outlay	-	31,660	28,989	2,671
Street lighting - contractual services:				
Contractual services	24,500	24,500	19,057	5,443
Commodities	2,500	2,500	-	2,500
Intergovernmental - capital outlay	-	1,250,377	1,250,375	2
Total public works	<u>5,757,823</u>	<u>7,169,013</u>	<u>6,906,298</u>	<u>262,715</u>
Total expenditures	<u>\$ 17,980,705</u>	<u>19,443,628</u>	<u>18,650,469</u>	<u>793,159</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, 2011

Schedule 2

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Municipal taxes:				
Sales taxes	\$ 5,613,799	5,613,799	5,790,849	177,050
Intergovernmental	-	124,900	134,900	10,000
Park charges and fees	1,025,474	1,025,474	1,202,107	176,633
Investment income	33,600	33,600	32,903	(697)
Miscellaneous	-	-	9,158	9,158
Total revenues	<u>6,672,873</u>	<u>6,797,773</u>	<u>7,169,917</u>	<u>372,144</u>
EXPENDITURES				
Parks and recreation	3,731,126	4,714,431	4,533,143	181,288
Capital outlay	168,000	148,614	104,703	43,911
Total expenditures	<u>3,899,126</u>	<u>4,863,045</u>	<u>4,637,846</u>	<u>225,199</u>
Excess of revenues over expenditures	2,773,747	1,934,728	2,532,071	597,343
OTHER FINANCING USES				
Transfers out	(2,825,281)	(2,826,226)	(2,826,226)	-
Net change in fund balance	<u>\$ (51,534)</u>	<u>(891,498)</u>	<u>(294,155)</u>	<u>597,343</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, 2011

Schedule 3

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Municipal taxes:				
Sales taxes	\$ 4,728,203	4,728,203	4,923,643	195,440
Intergovernmental	80,500	80,500	106,074	25,574
Miscellaneous income	-	-	14,396	14,396
Total revenues	<u>4,808,703</u>	<u>4,808,703</u>	<u>5,044,113</u>	<u>235,410</u>
EXPENDITURES				
Public works	179,869	179,869	177,795	2,074
Capital outlay	<u>2,705,000</u>	<u>2,995,814</u>	<u>2,854,871</u>	<u>140,943</u>
Total expenditures	<u>2,884,869</u>	<u>3,175,683</u>	<u>3,032,666</u>	<u>143,017</u>
Excess of revenues over expenditures	<u>1,923,834</u>	<u>1,633,020</u>	<u>2,011,447</u>	<u>378,427</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	20,000	20,000	-
Transfers out	<u>(1,997,228)</u>	<u>(1,997,228)</u>	<u>(1,996,914)</u>	<u>314</u>
Total other financing sources (uses), net	<u>(1,997,228)</u>	<u>(1,977,228)</u>	<u>(1,976,914)</u>	<u>314</u>
Net change in fund balance	<u>\$ (73,394)</u>	<u>(344,208)</u>	<u>34,533</u>	<u>378,741</u>

CITY OF CHESTERFIELD, MISSOURI
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual
For the year ended December 31, 2011

EXPLANATION OF BUDGETARY PROCESS

The City prepares and legally adopts an annual budget for the General Fund, the Parks Sales Tax Fund, the Capital Improvement Sales Tax Trust Fund, the Police Forfeiture Fund, the Sewer Lateral Fund, the Chesterfield Valley Tax Increment Financing 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, Police Forfeiture 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.

Other Supplementary Information

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 advanced re-funded 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, 2011

Schedule 4

Nonmajor Special Revenue Funds

	<u>Police Forfeiture</u>	<u>Sewer Lateral</u>	<u>Chesterfield Valley Tax Increment Financing</u>	<u>Total Special Revenue</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS						
Cash and investments	\$ 81,743	727,673	784,320	1,593,736	803,054	2,396,790
Receivables:						
Municipal taxes	-	115,536	-	115,536	279,325	394,861
Total assets	<u>\$ 81,743</u>	<u>843,209</u>	<u>784,320</u>	<u>1,709,272</u>	<u>1,082,379</u>	<u>2,791,651</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	8,230	8,975	17,205	-	17,205
Due to other funds	-	-	-	-	60,741	60,741
Deferred revenue	-	-	-	-	87,137	87,137
Total liabilities	<u>-</u>	<u>8,230</u>	<u>8,975</u>	<u>17,205</u>	<u>147,878</u>	<u>165,083</u>
Fund balances						
Restricted for:						
Public safety	81,743	-	-	81,743	-	81,743
Sewer lateral	-	834,979	-	834,979	-	834,979
Debt service	-	-	-	-	934,501	934,501
Committed for capital projects	-	-	775,345	775,345	-	775,345
Total fund balances	<u>81,743</u>	<u>834,979</u>	<u>775,345</u>	<u>1,692,067</u>	<u>934,501</u>	<u>2,626,568</u>
Total liabilities and fund balances	<u>\$ 81,743</u>	<u>843,209</u>	<u>784,320</u>	<u>1,709,272</u>	<u>1,082,379</u>	<u>2,791,651</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2011

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>			
REVENUES						
Municipal taxes	\$ -	419,210	-	419,210	533,543	952,753
Intergovernmental	63,849	-	-	63,849	120,957	184,806
Investment income	-	5,804	9,239	15,043	3,325	18,368
Miscellaneous	-	-	2,978	2,978	-	2,978
Total revenues	<u>63,849</u>	<u>425,014</u>	<u>12,217</u>	<u>501,080</u>	<u>657,825</u>	<u>1,158,905</u>
EXPENDITURES						
Current:						
Police services	45,776	-	-	45,776	-	45,776
Public works	-	282,556	-	282,556	-	282,556
Capital outlay	20,558	-	128,043	148,601	-	148,601
Debt service:						
Principal	-	-	-	-	4,425,000	4,425,000
Interest and fiscal charges	-	-	-	-	2,995,968	2,995,968
Total expenditures	<u>66,334</u>	<u>282,556</u>	<u>128,043</u>	<u>476,933</u>	<u>7,420,968</u>	<u>7,897,901</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,485)</u>	<u>142,458</u>	<u>(115,826)</u>	<u>24,147</u>	<u>(6,763,143)</u>	<u>(6,738,996)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	6,407,913	6,407,913
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>6,407,913</u>	<u>6,366,180</u>
Net change in fund balances	(2,485)	100,725	(115,826)	(17,586)	(355,230)	(372,816)
Fund balances:						
Beginning of year	84,228	734,254	891,171	1,709,653	1,289,731	2,999,384
End of year	<u>\$ 81,743</u>	<u>834,979</u>	<u>775,345</u>	<u>1,692,067</u>	<u>934,501</u>	<u>2,626,568</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2011

Schedule 6

	<u>Parks 1998</u>	<u>Public Works Facility 1995 and 2002</u>	<u>City Hall</u>	<u>Parks Phase I & II</u>	<u>R&S</u>	<u>Total</u>
ASSETS						
Cash and investments	\$ 511,955	230,605	2	60,492	-	803,054
Receivables:						
Municipal taxes	<u>279,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,325</u>
Total assets	<u>\$ 791,280</u>	<u>230,605</u>	<u>2</u>	<u>60,492</u>	<u>-</u>	<u>1,082,379</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Due to other funds	\$ -	262	-	60,479	-	60,741
Deferred revenue	<u>87,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,137</u>
Total liabilities	<u>87,137</u>	<u>262</u>	<u>-</u>	<u>60,479</u>	<u>-</u>	<u>147,878</u>
Fund balances						
Restricted for debt service	<u>704,143</u>	<u>230,343</u>	<u>2</u>	<u>13</u>	<u>-</u>	<u>934,501</u>
Total liabilities and fund balances	<u>\$ 791,280</u>	<u>230,605</u>	<u>2</u>	<u>60,492</u>	<u>-</u>	<u>1,082,379</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, 2011

Schedule 7

	<u>Parks 1998</u>	<u>Public Works Facility 1995 and 2002</u>	<u>City Hall</u>	<u>Parks Phase I & II</u>	<u>R&S</u>	<u>Total</u>
REVENUES						
Municipal taxes	\$ 533,543	-	-	-	-	533,543
Intergovernmental	-	-	-	120,957	-	120,957
Investment income	3,310	-	3	12	-	3,325
Total revenues	<u>536,853</u>	<u>-</u>	<u>3</u>	<u>120,969</u>	<u>-</u>	<u>657,825</u>
EXPENDITURES						
Debt service:						
Principal	790,000	185,000	785,000	1,240,000	1,425,000	4,425,000
Interest and fiscal charges	102,081	40,551	621,912	1,659,510	571,914	2,995,968
Total expenditures	<u>892,081</u>	<u>225,551</u>	<u>1,406,912</u>	<u>2,899,510</u>	<u>1,996,914</u>	<u>7,420,968</u>
Excess (deficiency) of revenues over (under) expenditures	(355,228)	(225,551)	(1,406,909)	(2,778,541)	(1,996,914)	(6,763,143)
OTHER FINANCING SOURCES						
Transfers in	-	225,539	1,406,910	2,778,550	1,996,914	6,407,913
Net change in fund balances	(355,228)	(12)	1	9	-	(355,230)
Fund balances:						
Beginning of year	1,059,371	230,355	1	4	-	1,289,731
End of year	<u>\$ 704,143</u>	<u>230,343</u>	<u>2</u>	<u>13</u>	<u>-</u>	<u>934,501</u>

CITY OF CHESTERFIELD, MISSOURI
Police Forfeiture Fund - Nonmajor Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended December 31, 2011

Schedule 8

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	63,849	63,849	-
EXPENDITURES				
Police services	-	45,776	45,776	-
Capital outlay	-	20,558	20,558	-
Total expenditures	-	66,334	66,334	-
Net change in fund balance	\$ -	(2,485)	(2,485)	-

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, 2011

Schedule 9

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Municipal taxes	\$ 420,000	419,210	(790)
Investment income	2,000	5,804	3,804
Total revenues	422,000	425,014	3,014
EXPENDITURES			
Public works	450,000	282,556	167,444
Excess (deficiency) of revenues over (under) expenditures	(28,000)	142,458	170,458
OTHER FINANCING USES			
Transfers out	(41,733)	(41,733)	-
Net change in fund balance	\$ (69,733)	100,725	170,458

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, 2011

Schedule 10

	Original And Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income	\$ 6,000	9,239	3,239
Miscellaneous	-	2,978	2,978
Total revenues	6,000	12,217	6,217
EXPENDITURES			
Capital outlay	882,086	128,043	754,043
Net change in fund balance	\$ (876,086)	(115,826)	760,260

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, 2011

Schedule 11

	Original And Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 505,000	533,543	28,543
Investment income	-	3,310	3,310
Total revenues	505,000	536,853	31,853
EXPENDITURES			
Debt service:			
Principal	790,000	790,000	-
Interest and fiscal charges	102,367	102,081	286
Total expenditures	892,367	892,081	286
Net change in fund balance	\$ (387,367)	(355,228)	32,139

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, 2011

Schedule 12

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Investment income	\$ 15	15	-	(15)
EXPENDITURES				
Debt service:				
Principal	185,000	185,000	185,000	-
Interest and fiscal charges	39,887	40,552	40,551	1
Total expenditures	<u>224,887</u>	<u>225,552</u>	<u>225,551</u>	<u>1</u>
Deficiency of revenues under expenditures	(224,872)	(225,537)	(225,551)	(14)
OTHER FINANCING SOURCES				
Transfers in	224,923	225,588	225,539	(49)
Net change in fund balance	<u>\$ 51</u>	<u>51</u>	<u>(12)</u>	<u>(63)</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, 2011

Schedule 13

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Investment income	\$ -	3	3
EXPENDITURES			
Debt service:			
Principal	785,000	785,000	-
Interest and fiscal charges	623,500	621,912	1,588
Total expenditures	<u>1,408,500</u>	<u>1,406,912</u>	<u>1,588</u>
Deficiency of revenues under expenditures	(1,408,500)	(1,406,909)	1,591
OTHER FINANCING SOURCES			
Transfers in	1,408,500	1,406,910	(1,590)
Net change in fund balance	<u>\$ -</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, 2011

Schedule 14

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 120,957	120,957	120,957	-
Investment income	-	-	12	12
Total revenues	120,957	120,957	120,969	12
EXPENDITURES				
Debt service:				
Principal	1,240,000	1,240,000	1,240,000	-
Interest and fiscal charges	1,658,562	1,660,412	1,659,510	902
Total expenditures	2,898,562	2,900,412	2,899,510	902
Deficiency of revenues under expenditures	(2,777,605)	(2,779,455)	(2,778,541)	914
OTHER FINANCING SOURCES				
Transfers in	2,777,605	2,779,455	2,778,550	(905)
Net change in fund balance	\$ -	-	9	9

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, 2011

Schedule 15

	Original And Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES	\$ -	-	-
EXPENDITURES			
Debt service:			
Principal	1,425,000	1,425,000	-
Interest and fiscal charges	572,228	571,914	314
Total expenditures	1,997,228	1,996,914	314
Deficiency of revenues under expenditures	(1,997,228)	(1,996,914)	314
OTHER FINANCING SOURCES			
Transfers in	1,997,228	1,996,914	(314)
Net change in fund balance	\$ -	-	-

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, 2011

Schedule 16

	Original And Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ -	342,547	342,547
Investment income	1,350	3,450	2,100
Total revenues	<u>1,350</u>	<u>345,997</u>	<u>344,647</u>
EXPENDITURES			
Capital outlay	10,009,783	4,668,218	5,341,565
Net change in fund balance	<u>\$ (10,008,433)</u>	<u>(4,322,221)</u>	<u>5,686,212</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Fiduciary Net Assets
Agency Funds
December 31, 2011

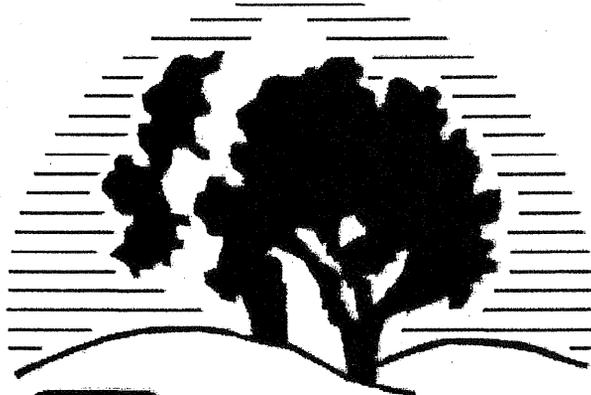
Schedule 17

	Court Bond Fund	Explorer's Fund	Highway 40 Trust Fund	Miscellaneous Escrow Fund	Total Agency Funds
ASSETS					
Cash and investments	\$ 99,669	13,735	80,236	2,494,289	2,687,929
LIABILITIES					
Accounts payable	\$ -	13,735	80,236	6,645	100,616
Due to other funds	21,371	-	-	-	21,371
Deposits held in escrow	78,298	-	-	2,487,644	2,565,942
Total liabilities	\$ 99,669	13,735	80,236	2,494,289	2,687,929

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the year ended December 31, 2011

Schedule 18

	<u>Balance December 31 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2011</u>
Court Bond Fund				
Assets - cash and investments	\$ 73,046	50,720	24,097	99,669
Liabilities:				
Due to other funds	\$ -	21,371	-	21,371
Deposits held in escrow	73,046	29,349	24,097	78,298
Total liabilities	\$ 73,046	50,720	24,097	99,669
Explorer's Fund				
Assets - cash and investments	\$ 12,370	2,648	1,283	13,735
Liabilities - accounts payable	\$ 12,370	2,648	1,283	13,735
Highway 40 Trust Fund				
Assets - cash and investments	\$ 228,889	4,291	152,944	80,236
Liabilities - accounts payable	\$ 228,889	4,291	152,944	80,236
Miscellaneous Escrow Fund				
Assets - cash and investments	\$ 2,079,668	1,144,819	730,198	2,494,289
Liabilities:				
Accounts payable	\$ -	587,506	580,861	6,645
Deposits held in escrow	2,079,668	557,313	149,337	2,487,644
Total liabilities	\$ 2,079,668	1,144,819	730,198	2,494,289
Total - All Agency Funds				
Assets - cash and investments	\$ 2,393,973	1,202,478	908,522	2,687,929
Liabilities:				
Accounts payable	\$ 241,259	594,445	735,088	100,616
Due to other funds	-	21,371	-	21,371
Deposits held in escrow	2,152,714	586,662	173,434	2,565,942
Total liabilities	\$ 2,393,973	1,202,478	908,522	2,687,929



e City of
Chesterfield

*690 Chesterfield Parkway West
Chesterfield, MO 63017
www.chesterfield.mo.us*

Statistical Section

CITY OF CHESTERFIELD, MISSOURI
Statistical Section
December 31, 2011

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.

Contents	Pages
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	69 - 72
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	73 - 77
Debt Capacity	
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.	78 - 82
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	83 - 84
Operating Information	
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.	85 - 87

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

Table 1

CITY OF CHESTERFIELD, MISSOURI
Net Assets by Component
Last Ten 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>	<u>2011</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	144,327,104
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	2,877,831
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>	<u>20,900,703</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>	<u>168,105,638</u>

Source: Basic financial statements

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

	For the years ended December 31									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
EXPENSES										
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	3,073,389
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	5,282,321
Judicial	173,865	169,118	177,183	184,064	182,869	189,701	212,013	221,809	260,387	236,646
Planning	629,707	588,615	592,138	578,915	646,653	642,805	618,783	733,341	693,488	590,622
Developmental services	-	-	-	-	-	-	785,752	854,705	729,214	490,551
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	9,952,319
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	7,720,308
Community development	177,757	179,090	139,090	65,848	153,130	493,543	244,572	246,792	209,657	151,522
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	2,954,766
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>	<u>30,452,444</u>
PROGRAM REVENUES										
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	681,851
Parks and recreation	419,918	420,887	459,308	778,892	868,600	1,012,857	977,961	1,027,958	1,136,840	1,210,006
Judicial	836,305	809,258	833,990	852,979	942,244	997,433	1,212,561	1,317,384	1,275,826	1,223,280
Planning	26,129	20,850	27,332	24,219	34,853	38,137	23,412	25,119	24,455	39,377
Public works	450,323	314,534	391,134	63,105	108,644	106,480	30,634	139,747	62,828	154,180
Public safety	161,588	63,924	49,255	39,342	41,293	47,106	53,391	60,126	61,604	51,152
Community development	-	-	-	-	-	-	-	-	-	9,310
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	5,694,181	4,713,574
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	2,695,237
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>16,611,998</u>	<u>10,777,967</u>
Net Revenues (Expenses)										
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>(16,043,060)</u>	<u>(19,674,477)</u>
General Revenues and Other Changes in Net Assets										
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	522,890
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	16,537,971
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	7,970,597
Miscellaneous taxes (includes sewer lateral)	402,731	549,249	465,261	420,758	600,668	588,441	567,228	555,847	560,418	551,252
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	188,313
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	120,957	120,957
Miscellaneous	4,755,027	270,006	456,323	485,942	229,843	480,594	1,104,362	86,970	105,808	208,352
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>25,584,564</u>	<u>26,100,332</u>
Changes in Net Assets										
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>	<u>6,425,855</u>

Source: Basic financial statements

CITY OF CHESTERFIELD, MISSOURI
Fund Balances, Governmental Funds
Last Ten 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>	<u>2011</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	-
Nonspendable	-	-	-	-	-	-	-	-	-	315,421
Restricted	-	-	-	-	-	-	-	-	-	304,737
Committed	-	-	-	-	-	-	-	-	-	1,502,468
Unassigned	-	-	-	-	-	-	-	-	-	11,945,289
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>	<u>14,067,915</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	-
Nonspendable	-	-	-	-	-	-	-	-	-	6,700
Restricted	-	-	-	-	-	-	-	-	-	2,476,850
Committed	-	-	-	-	-	-	-	-	-	4,709,222
Assigned	-	-	-	-	-	-	-	-	-	2,547,444
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>	<u>9,740,216</u>

Source: Basic financial statements.

(1) GASB Statement No. 54 was implemented in 2011.

(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 Ten Fiscal Years

	For the years ended December 31									
	2002	2003	2004	2005 (2)(3)	2007	2007	2008	2009	2010	2011
REVENUES										
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	24,714,140
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	1,429,034
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	5,421,620
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	1,306,008
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	1,226,101
Investment income	987,111	346,057	524,489	2,020,949	3,211,400	3,098,986	2,039,470	522,906	236,571	188,313
Miscellaneous	398,475	482,723	319,757	874,166	244,591	529,255	182,235	172,471	119,748	233,533
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>	<u>34,518,749</u>
EXPENDITURES										
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	2,690,394
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	7,491,176
Judicial	172,506	170,479	176,164	183,888	181,150	189,993	212,160	218,642	374,434	237,756
Planning and zoning	616,432	578,545	587,488	568,524	636,259	636,912	607,082	716,731	685,624	573,495
Developmental services	-	-	-	-	-	-	769,796	834,007	732,396	489,578
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	5,510,508
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	4,533,143
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	9,940,082
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	4,425,000
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	2,995,968
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>	<u>38,887,100</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>	<u>(4,368,351)</u>
OTHER FINANCING SOURCES (USES)										
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	142,264
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	6,517,322
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)	(6,517,322)
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>	<u>142,264</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>	<u>(4,226,087)</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	26.45

Source: Basic financial statements.

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	Estimated Actual Value
	Residential Property	Commercial Property	Agricultural Property					
2002	\$ 1,047,229	\$ -	\$ -	\$ 242,743	\$ 18,849	\$ 1,308,821	0.06	\$ 6,298,937
2003	813,951	296,483	1,657	232,851	14,350	1,359,292	0.06	5,967,737
2004	830,445	301,374	1,656	230,121	14,332	1,377,928	0.06	6,061,576
2005	933,248	352,577	1,622	246,081	14,784	1,548,312	0.06	6,811,668
2006	944,720	371,196	1,620	262,980	15,279	1,595,795	0.06	6,982,464
2007	1,153,500	452,116	1,442	271,041	15,186	1,893,285	0.06	8,356,592
2008	1,171,642	467,500	1,459	289,434	14,740	1,944,775	0.03	8,554,084
2009	1,103,428	490,039	1,329	275,453	16,015	1,886,264	0.03	8,226,451
2010	1,108,180	496,507	2,068	255,632	13,744	1,876,131	0.03	8,211,267
2011	1,074,986	462,000	500	229,277	15,150	1,781,943	0.03	7,840,981

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	0.030	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	0.558	0.558	0.558	0.558	0.523	0.523	0.523
Special School District	0.849	0.864	0.905	0.840	0.824	0.908	0.918	0.938	0.995	1.013
St. Louis Community College	0.232	0.231	0.237	0.223	0.223	0.200	0.201	0.214	0.218	0.220
St. Louis County Library	0.140	0.140	0.150	0.150	0.150	0.150	0.150	0.140	0.157	0.163
Metropolitan St. Louis Sewer District (Extension)	0.019	0.019	0.019	0.019	0.019	0.014	-	-	0.018	0.019
Metropolitan Zoological Park and Museum District	0.222	0.226	0.276	0.265	0.261	0.233	0.234	0.249	0.255	0.267
Sheltered Workshop	0.085	0.085	0.085	0.082	0.085	0.085	0.090	0.074	0.079	0.084
Total	<u>2.217</u>	<u>2.235</u>	<u>2.342</u>	<u>2.227</u>	<u>2.210</u>	<u>2.238</u>	<u>2.211</u>	<u>2.198</u>	<u>2.305</u>	<u>2.349</u>
School districts (2):										
Parkway	3.455	3.511	3.692	3.709	3.641	3.733	3.900	3.410	3.567	3.676
Rockwood	4.421	4.439	4.633	4.507	4.418	3.999	3.923	4.008	4.275	4.463
Fire protection districts (3):										
Metro West	0.972	0.997	1.098	1.028	1.091	1.001	1.060	0.977	1.012	1.030
Monarch	0.995	0.979	1.067	1.061	1.060	0.988	1.059	0.826	0.865	0.842

Notes:

- (1) The City levied property tax in 1995 when the voters approved an \$11 million general obligation bond issue for parks. The entire levy funds debt service.
- (2) All property is located in one of the two school districts whose boundaries include part of the City.
- (3) All property is located in one of the two fire protection districts whose boundaries include part of the City.

Source: St. Louis County Collector

Table 7

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

Taxpayer	2011			2002		
	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	\$ 51,107	1	2.87 %	\$ 22,298	2	1.70 %
Monsanto Company	33,908	2	1.90	31,247	1	2.39
Chesterfield Mall	28,802	3	1.62	-		-
Pfizer, Inc.	22,958	4	1.29	-		-
FSP Timberlake Corp.	13,943	5	0.78	12,756	4	0.97
St. Lukes Episcopalian Presbyterian Hospital	10,561	6	0.59	7,479	7	0.57
Baxter Crossing Apartments Associates	7,768	7	0.44	-		-
G&E Healthcare REIT Chesterfield Rehab H	7,161	8	0.40	-		-
NNN One Chesterfield Place LLC	6,837	9	0.38	-		-
Scott Family Properties	6,634	10	0.37	-		-
JG St. Louis West Limited Liability Co. Gal.	-		-	16,959	3	1.30
Ameren	-		-	11,274	5	0.86
Realty Associates	-		-	8,896	6	0.68
Wild Horse Joint Venture	-		-	6,647	8	0.51
Missouri American Water	-		-	5,742	9	0.44
Chesterfield Ridge Center	-		-	5,583	10	0.43
Total	\$ 189,679		10.64 %	\$ 128,881		9.85 %

Source: St. Louis County Department of Collection

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

<u>Fiscal Year Ended December 31</u>	<u>Tax Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2002	\$ 7,257	\$ 6,556	90.3 %	\$ (3)	\$ 6,553	90.3 %
2003	8,169	7,740	94.7	613	8,353	102.3
2004	9,160	8,657	94.5	534	9,191	100.3
2005	12,158	8,786	72.3	2,764	11,550	95.0
2006	13,365	13,083	97.9	85	13,168	98.5
2007 (1)	1,042	909	87.2	38	947	90.9
2008 (2)	583	510	87.5	4	514	88.2
2009	566	478	84.5	77	555	98.1
2010	563	482	85.6	63	545	96.8
2011	534	466	87.3	-	466	87.3

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>
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
2011	1.00	2.700	4.225	7.925	10,714	1,118,534

(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

Table 10

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			
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
2011	17,110	-	-	48,925	-	66,035	2.72	1,391

- 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)

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u>			<u>Percentage of Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
	<u>General Obligation Bonds</u>	<u>Redevelopment Bonds</u>	<u>Total</u>		
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
2011	17,110	-	17,110	0.96	360

- 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, 2011
(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	\$ 26,085	7.05 %	\$ 1,839
Monarch-Chesterfield Levee District	31,005 *	99.70	30,912
Parkway School District	166,847	24.58	41,011
Rockwood School District	231,810	27.16	62,960
Monarch Fire Protection District	600	73.47	441
Metro-West Fire Protection District	5,445	72.90	3,969
Subtotal, overlapping debt			<u>141,132</u>
City direct debt	66,035	100.00	<u>66,035</u>
Total direct and overlapping debt			<u><u>\$ 207,167</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.

*2011 amount unavailable, reported 2009 amount.

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

	December 31									
	<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>	<u>2011</u>
Debt limit	\$130,882	135,929	137,792	154,831	159,710	189,328	194,478	188,626	187,613	178,194
Total net debt applicable to limit	<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>	<u>17,110</u>
Legal debt margin	<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>	<u>161,084</u>
Total net debt applicable to the limit as a percentage of debt limit	26.26 %	22.03	20.66	29.02	27.11	17.81	17.07	11.37	10.30	9.60

Legal debt margin calculation for fiscal year 2011:

Assessed value	<u>\$ 1,781,943</u>
Debt limit (10% of assessed value)	<u>\$ 178,194</u>
Debt applicable to limit	<u>17,110</u>
Legal debt margin	<u>\$ 161,084</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 Ten 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
2011	-	-	-	-	-	-	-	5,790,849	4,637,846	1,153,003	1,240,000	1,659,510	0.40

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

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

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

Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	School Enrollment		Unemployment Rate
				Parkway School District	Rockwood School District	
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
2011	47,484	2,430,231	51,180	17,467	22,480	6.2

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>2011</u>			<u>2002</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	3,447	1	9.58 %	*n/a	-	*n/a %
Parkway School District	1,192	2	3.31	*n/a	-	*n/a
Delmar Gardens Enterprises	1,006	3	2.79	*n/a	-	*n/a
Monsanto Company	683	4	1.90	*n/a	-	*n/a
Reinsurance Group of America Inc.	678	5	1.88	*n/a	-	*n/a
Amdocs, Inc.	550	6	1.53	*n/a	-	*n/a
Dierbergs	474	7	1.32	*n/a	-	*n/a
McBride & Sons Management Co.	400	8	1.11	*n/a	-	*n/a
Pfizer	379	9	1.05	*n/a	-	*n/a
St. John's Mercy Rehab Hospital	375	10	1.04	*n/a	-	*n/a
Total	<u>9,184</u>		<u>25.51 %</u>	<u>*n/a</u>		<u>*n/a %</u>

Source: Business License database from Finance Division

*Employment information for 2002 is not available.

Table 17

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

For the years ended December 31

<u>Functions/Programs</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>	<u>2011</u>
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	5	4	4	5	5	3	4	4	3	3
Finance	6	6	6	6	7	7	7	7	6	6
Information systems	4	4	3	3	3	3	3	3	3	3
Court	3	3	3	3	3	3	3	3	3	3
Economic development	-	-	-	-	-	-	2	2	1	1
Planning	11	10	11	9	12	11	10	11	8.5	8.5
Police:										
Officers	84	86	80	79	83	86	87	89	84	84
Civilians	10	10	10	9	9	10	9	9	8	8
Public works:										
Engineering	16	16	16	15	16	17	18	21	15.5	15.5
Street maintenance	35	36	31	27	31	30	29	31	29	29
Vehicle maintenance	5	5	5	5	5	5	5	5	5	5
Building maintenance	6	6	6	6	6	6	7	7	6	6
Parks and recreation	12	12	18	22	24	26	30	30	33	33
Total	<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>	<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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police:										
Adult arrests	1,258	1,268	1,071	1,146	994	1,099	1,132	1,679	1,649	1,753
Juvenile arrests	418	378	277	343	262	281	392	236	262	218
Parking violations	449	429	475	420	487	374	423	462	381	278
Traffic violations	9,935	8,409	8,499	9,104	9,491	9,183	12,235	12,087	12,677	11,628
Public works:										
Street work orders completed	49	79	106	526	47	94	66	72	133	502
Sidewalk work orders completed	160	471	418	145	224	516	436	219	110	97
Tree trimming work orders completed	428	584	724	647	714	840	1,063	867	865	786
Storm sewer repairs	91	64	58	34	33	42	55	48	60	25
Sewer lateral repairs	88	84	65	63	73	100	95	78	85	88
Handicap accessible sidewalk ramps installed	10	44	21	15	23	18	21	52	-	16
Parks and recreation:										
Athletic field rental hours	8,109	9,909	10,195	12,365	14,305	14,160	13,293	13,648	15,283	16,047
Aquatic Center admissions	40,551	29,275	28,977	38,439	40,834	56,499	52,588	44,693	52,845	55,487
Planning:										
Zoning approvals for construction	1,277	1,609	1,392	1,471	1,223	1,192	965	1,118	933	23
Building permits for new construction	867	1,024	985	981	779	157	51	74	86	68
Building permits for alterations/additions	3,163	4,093	4,176	4,416	4,491	4,824	4,173	3,714	3,834	298
Finance and administration:										
Business licenses issued	1,479	1,723	2,189	2,010	1,902	2,293	2,128	2,081	2,080	2,080
Vending licenses issued	931	901	978	1,005	953	773	804	846	820	789
Liquor licenses issued	95	212	237	117	125	262	159	140	135	141
Solicitor licenses issued	36	37	32	26	30	70	40	51	51	53

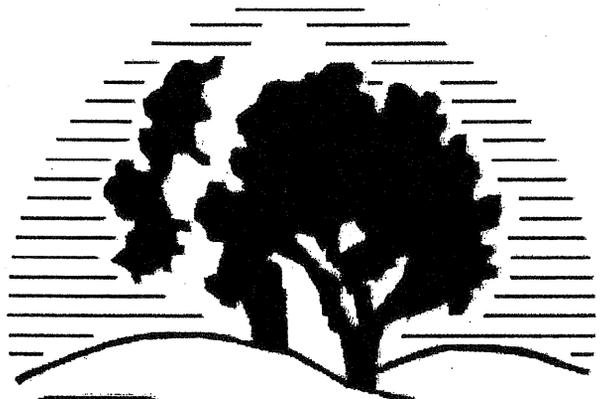
Sources: City of Chesterfield Annual Reports (2002-2011), City of Chesterfield Annual Budgets (2002-2011), various City departments

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

Functions/Programs	For the years ended December 31									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	27	30	30	30	32	35	36	36	36
Public works:										
Streets (miles)	161	161	161	161	163	167	167	167	167	167
Streetlights	10	10	10	10	10	184	184	184	184	184
Parks and recreation:										
Acreage	200	200	200	254	293	293	295	352	352	352
Playgrounds	3	3	3	3	3	3	3	2	2	2
Baseball/softball diamonds	14	24	24	25	27	27	27	29	29	29
Soccer fields	7	7	7	9	9	9	9	9	9	9
Football fields	-	-	-	2	7	7	7	7	7	7
Multi-purpose fields	-	-	-	-	2	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 (2002-2011), City of Chesterfield Annual Budgets (2002-2011), various City departments



E City of
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