

City of Chesterfield, Missouri
Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2012

Report prepared and submitted by the
Finance Department

City of Chesterfield, Missouri
Comprehensive Annual Report
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December 31, 2012

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Introductory Section



690 Chesterfield Parkway W • Chesterfield, MO 63017 • 636-537-4000

June 12, 2013

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, 2012. 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 Daniel Jones & Associates, 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, 2012 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, 2012 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.

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 each year. At the direction of the City Administrator, the Finance Director 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. 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 (\$2,500.00) with prior approval by the Finance Director. Transfers within departmental budgets ranging from twenty-five hundred dollars (\$2,500.00) to five thousand dollars (\$5,000.00) can be made with prior approval by the Finance Director and City Administrator. Transfers within departmental budgets over five thousand dollars (\$5,000.00) 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 43 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 46 and comparisons for the

budgeted nonmajor Special Revenue and Debt Service Funds are found in other supplementary information which begins on page 54.

Factors Affecting Financial Condition

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

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

The City also has a strong retail base with 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.

The City anticipates the opening of two outlet malls in August of 2013. St. Louis Premium Outlets, a partnership between Simon Property Group & Woodmont Outlets, states that they are currently 80% pre-leased with stores such as Sak's Off 5th, Cole Haan, Nike, Eli Tahari & Brooks Brothers for their first phase of 85 stores in 350,000 sq. ft. of space. Taubman Prestige Outlets, with 310,000 sq. ft. of space, opening with announced tenants such as Gap Outlet, J. Crew Factory, Anne Fontaine, Lucky Brand Jeans, Thomas Sabo and Mikino/Mikino Men's. While both developers acknowledge that two projects will fragment the market, they still feel the returns will be attractive. We also know that as many as 70% of shoppers will come from outside the typical trade area to shop these stores and will be first time visitors to Chesterfield.

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, World Market, Lowe's Home Improvement Center, Sam's Club, Office Max, Michael's, PetSmart, HH Greg, 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.

Based on current projections, continued development of the entire City is inevitable. The City's assessed valuation of \$1,762,893,244 as of January 1, 2013 an increase of 279% 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 October 2012 at 4.6%, compared to 5.1% in 2011. This compares favorably to St. Louis MSA (Missouri part) which is 6.9%. 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 2011 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 family income (\$118,568).

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 2012, 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 \$2,570,000 in general obligation bonds for parks, \$610,000 in certificates of participation related to the construction of a Public Works Facility, \$11,840,000 in certificates of participation related to the City Hall, \$12,270,000 in general obligation bonds for streets and sidewalks, \$21,275,000 in certificates of participation for Parks from 2005, and \$12,825,000 in certificates of participation for park and recreation improvements from 2008 and 2011.

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, 2011. This was the 22st 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.

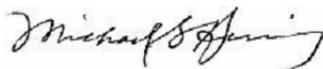
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2012. This was the 21th 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, Daniel Jones & Associates, 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



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, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

Principal Officials

MAYOR

Bob Nation

COUNCIL MEMBERS

Ward 1:

Barry Flachsbart

Nancy Greenwood

Ward 2:

Derek Grier

Elliot Grissom

Ward 3:

Michael Casey

Dan Hurt

Ward 4:

Connie Fults

Bruce DeGroot

CITY ADMINISTRATOR

Michael G. Herring

POLICE CHIEF

Ray Johnson

DIRECTOR OF PUBLIC SERVICES

Michael O. Geisel

CITY ATTORNEY

Robert M. Heggie

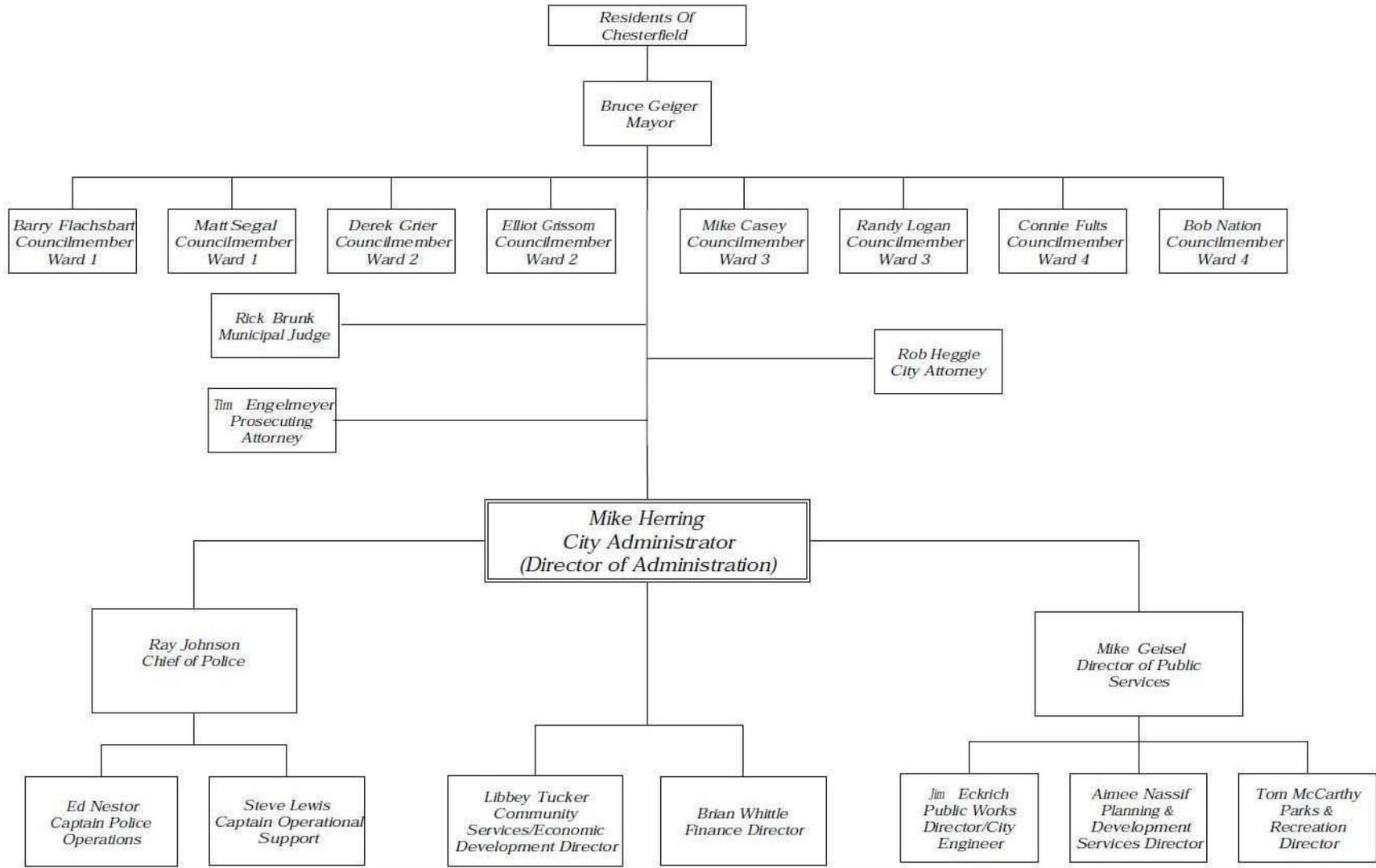
JUDGE

Richard K. Brunk

PROSECUTING ATTORNEY

Tim Engelmeyer

City of Chesterfield Organizational Chart





Financial Section



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 of the City as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note (17) to the financial statements, in 2012 the City adopted new accounting guidance, GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, and Net Position* as required by the Governmental Accounting Standards Board. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis and budgetary comparison information on pages 11 - 20 and 43 - 47 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 historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the combining fiduciary fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Chesterfield's internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 12, 2013

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2012

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, 2012. 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 \$177,660,058. The City has unrestricted net position totaling \$19,525,138.
- General revenues for governmental activities were \$25,463,601, which included \$25,916,517 (97.2%) in sales, gross receipts, and sewer lateral taxes. Property taxes accounted for \$524,173 (2.0%) of general revenues.
- Net expense from the various functions of governmental activities was \$17,116,445. General government was \$2,665,220 (15.6%), public works had revenues of \$1,377,378, public safety was \$7,842,954 (45.8%), parks was \$5,167,267 (30.2%), development was \$535,897 (3.1%), planning was \$471,268 (2.8%), and community development was \$176,784 (1.0%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,289,129 a decrease of \$519,002 in comparison with the prior year. Approximately 55.6% of this total amount or \$12,947,803 is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,947,803 (70.0%) of total General Fund expenditures.
- The City's total debt decreased by \$4,645,000 (7.0%) 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 supplementary information and other supplementary information.

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2012

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

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

The government-wide financial statements can be found on pages 21 and 22 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 supplementary information section in this report.

The City adopts an annual appropriated budget for its General Fund, Chesterfield Valley Tax Increment Financing Special Revenue Fund, Capital Improvement Sales Tax Trust Special Revenue Fund, Parks Sales Tax Special Revenue Fund, Sewer Lateral Special Revenue Fund, Parks 1998 Debt Service Fund, Public Works Facility 1995 and 2002 Debt Service Fund, R & S Debt Service Fund, City Hall Debt Service Fund, Parks Construction 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 23 through 26 of this report.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2012

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 27 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 28 through 42 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found on pages 43 through 47 of this report.

Other Supplementary Information

The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 50 through 65 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 position may serve over time as a useful indicator of a government's financial position. In the case of the City, the net position of \$177,660,058 increased in 2012 by approximately 5.7% as compared to the previous year.

At the end of 2012, the City had positive balances in all three categories of net position.

The largest portion of the City's net position, \$154,461,332 in 2012 (an increase of approximately 7.0% from 2011), 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. Approximately \$6,979,805 (68.9%) of the increase was a result of donated streets, easements and right-of-ways. The City uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2012

	Governmental Activities	
	December 31	
	2012	2011
Assets		
Current and other assets	\$ 26,562,550	27,565,099
Capital assets, not depreciated	117,049,695	116,300,985
Capital assets, net	99,736,224	95,089,056
Total assets	243,348,469	238,955,140
Liabilities		
Long-term liabilities	63,099,854	67,812,032
Other liabilities	2,588,557	3,037,470
Total liabilities	65,688,411	70,849,502
Net position		
Invested in capital assets, net of related debt	154,461,332	144,327,104
Restricted	3,673,588	2,877,831
Unrestricted	19,525,138	20,900,703
Total net position	\$ 177,660,058	168,105,638

An additional portion of the City's net position, \$3,673,588 in 2012, 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. This balance increased by \$795,757 (27.7%) in 2012 primarily as a result of an increase in restrictions for capital projects. The restricted portion of net position from capital projects is related to a sales tax for capital projects whose uses are restricted by legislation. Due to the timing of projects, there was a higher balance in 2012 compared to 2011.

The remaining category of the City's net position represents an *unrestricted net position* balance of \$19,525,138 in 2012 which may be used to meet the City's ongoing obligations to citizens and creditors. There was a slight decrease of 6.6% in unrestricted net position in 2012. The decrease was primarily a result of planned unrestricted expenditures in the parks fund for special projects authorized by the City Council in 2012.

Governmental Activities

Governmental activities increased the City's net position by \$9,554,420. Key elements of this are as follows:

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2012

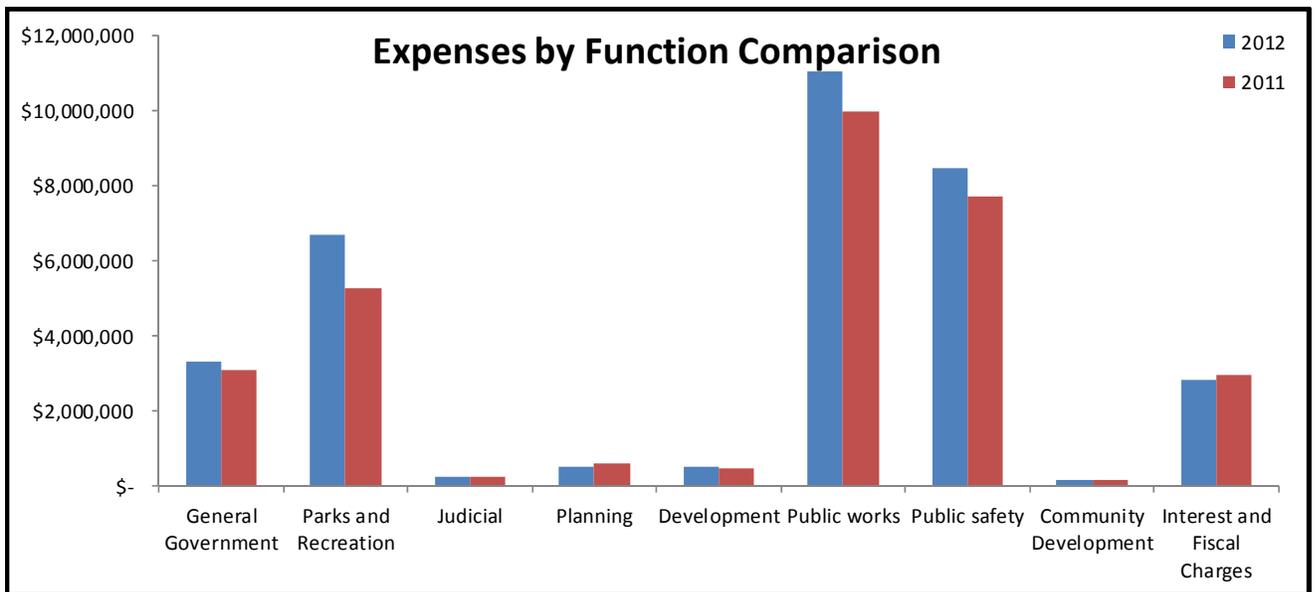
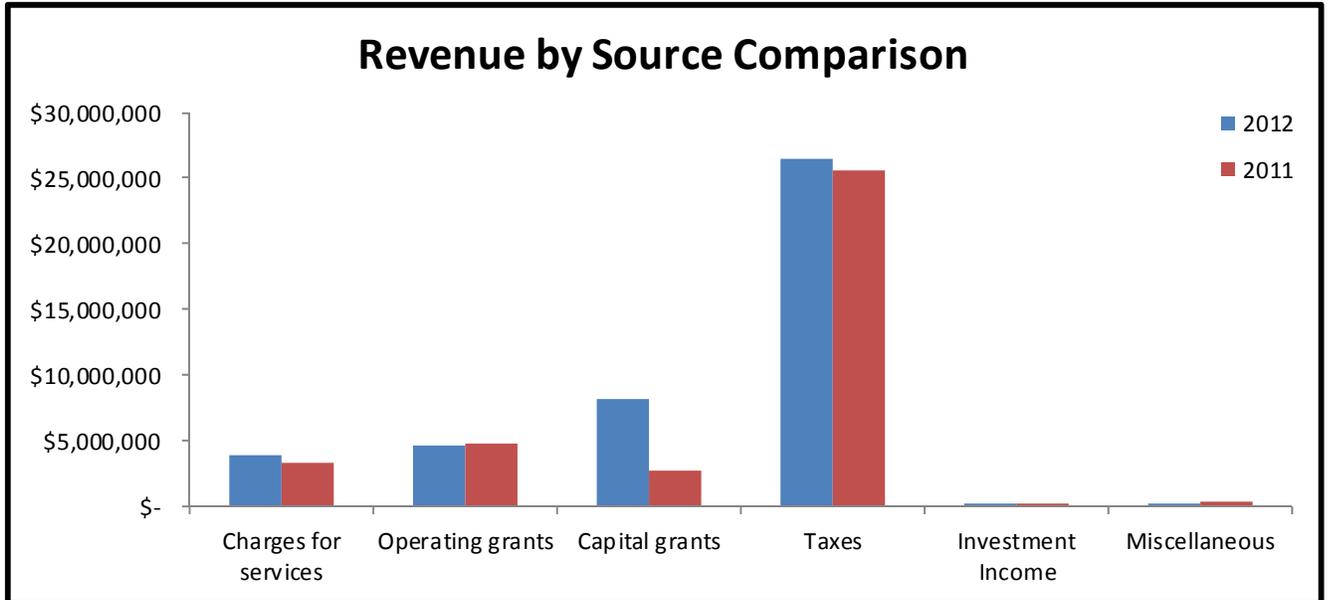
	Governmental Activities	
	For the years	
	ended December 31	
	2012	2011
Revenues		
Program revenues:		
Charges for services	\$ 3,857,905	3,369,156
Operating grants and contributions	4,671,981	4,713,574
Capital grants and contributions	8,114,634	2,695,237
General revenues:		
Taxes	26,440,690	25,582,710
Investment income	47,236	188,313
Miscellaneous	182,939	329,309
Total revenues	43,315,385	36,878,299
Expenses		
General government	3,323,238	3,073,393
Parks and recreation	6,667,066	5,282,317
Judicial	242,383	236,646
Planning	504,809	590,622
Development	535,897	490,551
Public works	11,027,314	9,952,319
Public safety	8,468,966	7,720,308
Community development	181,407	151,522
Interest and fiscal charges	2,809,885	2,954,766
Total expenses	33,760,965	30,452,444
Changes in net position	9,554,420	6,425,855
Net position - beginning of year	168,105,638	161,679,783
Net position - end of year	\$ 177,660,058	168,105,638

Changes in Net Position

In 2012 the City's total revenues on a government-wide basis was \$43,315,385, an increase of \$6,437,086 as compared to 2011. This largest part of the change was a result of a \$5,176,920 increase in donated roads, easements and right-of-ways as compared to 2011. Sales tax collections increased \$889,086 due to the improving economy in Chesterfield and Saint Louis County. Parks charges for services also increased \$184,793(15.3%) in 2012. This was due to increased activity and field usage at our parks facilities.

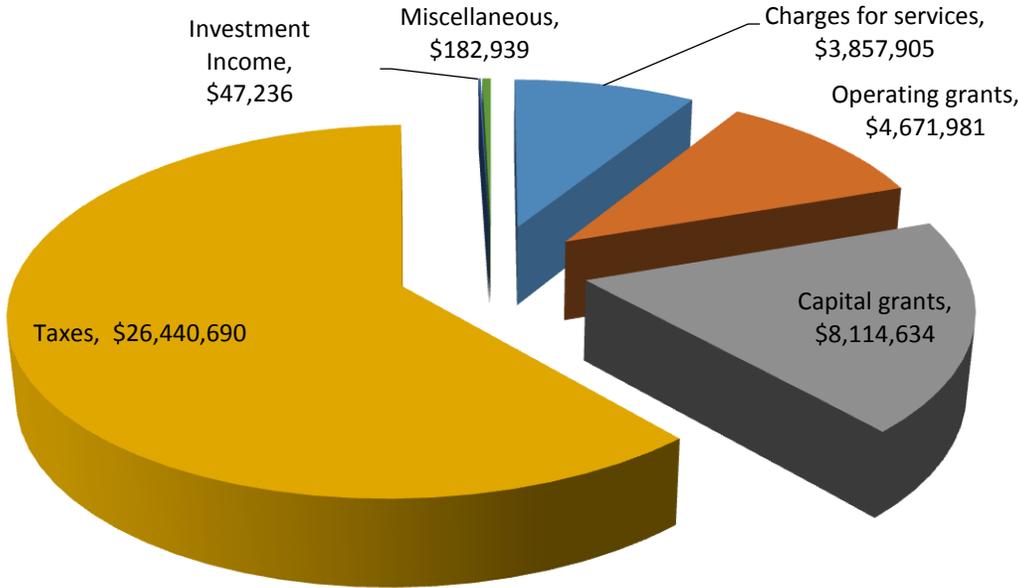
Total expenses for 2012 were \$33,760,965 which was an increase of \$3,308,521. The increase was mostly a result of one-time projects in 2012 that were not part of normal City operations and were approved by City Council. As a result of the current year activity, the change in net position had an increase of \$9,554,420.

**City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2012**

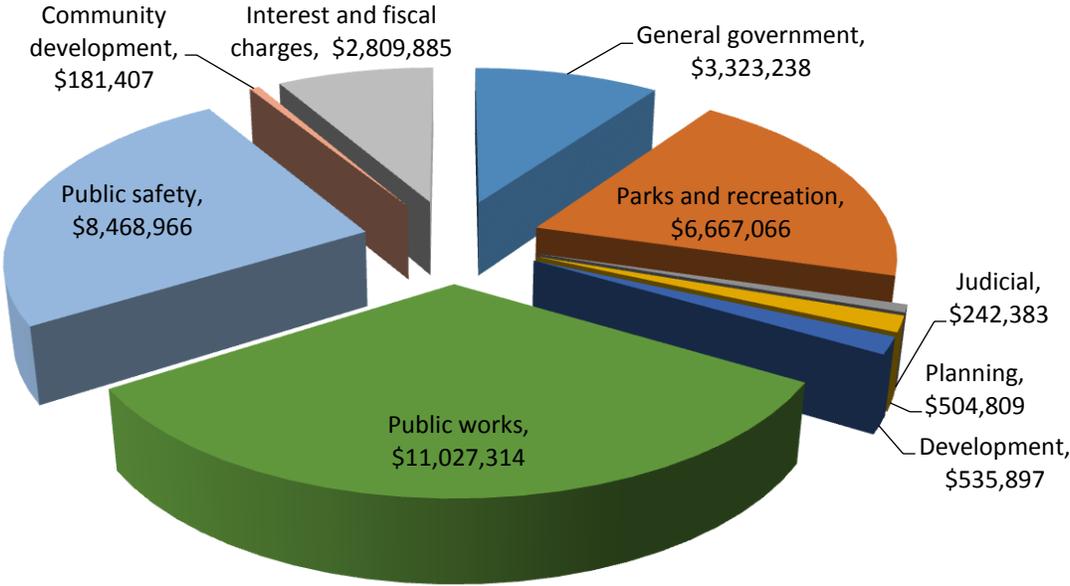


**City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2012**

Revenue by Source for fiscal Year 2012



Expenses by function for Fiscal Year 2012



City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2012

Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on inflows and balances of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

At the end of year 2012, the unassigned fund balance of the General Fund was \$12,947,803, while the total fund balance was \$14,112,293. 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 61.7% of total General Fund expenditures and transfers out of \$21,002,305, while total fund balance represents 67.2% of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund increased by \$44,378 (.3%) from the prior year fund balance compared to a \$728,575 (5.5%) increase in 2011. The lower increase in fund balance is mainly due to:

- Other financing uses were \$913,610 higher than in the prior year as a result of one-time 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 2012 with fund balance of \$2,721,627, a decrease of \$600,592 (18%) over the prior year. The decrease was a result of \$612,212 more in other financing uses compared to 2012. The other funding sources increased transferred to other funds in 2012. This ½ cent sales tax generated total revenue of \$6,108,998 in 2012, an increase of \$318,149 (5.5%). The Fund transferred \$3,459,438 to other funds for debt service expenditures and other expenditures.
- Capital Improvement Sales Tax Trust Fund ended the year with fund balance of \$1,826,314, an increase of 191.9% from the prior year. The increase was primarily due to the timing of planned projects. The Trust Fund transferred \$1,981,601 to other funds for debt service expenditures.
- Parks Construction Fund decreased by \$299,749 (-9.5%). The expected decrease was due to \$926,525 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

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2012

- 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 2012, cash and cash equivalents had increased \$4,269,177 (to \$6,957,106) from 2011 due to a few large construction related projects.

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 2012 was \$19,518,313, which differs from the original adopted budget of \$18,751,492 by \$766,821. The change in budget was a result of one-time projects approved during 2012.

After transfers, the General Fund ended the year with an operating increase of \$44,378. This increase was \$1,081,220 higher than the estimated decrease of (\$1,036,842) from the final revised budget as a result of management of budgetary expenditures and the timing of capital projects. Most revenue categories performed close to budget.

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 \$5,395,878. In 2012, the City's capital asset detail was as follows:

Capital Assets, Net of Depreciation		
December 31		
	2012	2011
Land	\$ 31,674,343	31,674,343
Right-of-way	83,745,088	80,986,776
Buildings and other improvements	43,782,891	43,058,710
Machinery and equipment	1,838,562	1,871,067
Automobiles and trucks	1,893,353	1,895,954
Infrastructure (including construction-in progress)	53,851,682	51,903,191
Total	\$ 216,785,919	211,390,041

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

Long-Term Debt

At the end of December 2012, the City had outstanding long-term debt obligations for governmental activities in the amount of \$63,099,854 compared to \$67,812,032 in 2011. Of this

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2012

amount, \$14,840,000 is general obligation bonds. Capital lease obligations outstanding totaled \$46,550,000. The 6.9% or \$4,712,178 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
	2012	2011	
Certificate of Participation Series 2002	\$ 610,000	805,000	(24.2%)
Certificate of Participation (Government Center) Series 2004	11,840,000	12,690,000	(6.7)
Certificate of Participation (Park) Series 2005	21,275,000	22,125,000	(3.8)
Certificates of Participation (Park) Series 2008	4,050,000	4,225,000	(4.1)
Certificates of Participation (Park) Series 2009A	3,080,000	3,385,000	(9.1)
Certificates of Participation (Park) Series 2009B	5,695,000	5,695,000	0.0
General Obligation Bonds (R & S) Series 2005	12,270,000	13,730,000	(10.6)
General Obligation Bonds (Parks) Series 2008	<u>2,570,000</u>	<u>3,380,000</u>	(24.0)
Total	<u>\$ 61,390,000</u>	<u>66,035,000</u>	(7.0%)

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 2012 was \$177,484,216.

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 2013 annual budget for General Fund expenditures is \$19,102,319, a decrease of \$415,994 (2.1%) from the 2012 amended budget. The slight decrease is a result of usual activity.
- Capital Improvement Fund expense budget for 2013 is \$3,422,346, a decrease of \$924,601 from the 2012 amended budget. The decrease is related to a grant funded project that was complete in 2012.
- Park Sales Tax Fund expense budget for 2012 is \$4,571,964, a decrease of \$425,902 from the 2012 amended budget.

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, 690 Chesterfield Parkway West, Chesterfield, MO 63017-0760.

CITY OF CHESTERFIELD, MISSOURI
Statement of Net Position
December 31, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 19,194,734
Receivables, net	6,109,796
Deferred charges	929,549
Other assets	328,471
Capital assets not being depreciated	117,049,695
Capital assets, net of accumulated depreciation	<u>99,736,224</u>
Total assets	<u>243,348,469</u>
LIABILITIES	
Accounts payable and accrued liabilities	852,784
Accrued salaries and other benefits	583,231
Accrued interest payable	567,462
Unearned revenue	405,149
Other liabilities	179,931
Long-term liabilities:	
Due within one year	5,609,782
Due in more than one year	<u>57,490,072</u>
Total liabilities	<u>65,688,411</u>
NET POSITION	
Net Investment in Capital Assets	154,461,332
Restricted for:	
Debt service	660,551
Capital project	2,179,774
Public Safety	70,893
Sewer lateral repair project	762,370
Unrestricted	<u>19,525,138</u>
Total Net Position	<u>\$ 177,660,058</u>

CITY OF CHESTERFIELD, MISSOURI
Statement of Activities
For the year ended December 31, 2012

<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>	
Primary Government				
Governmental activities:				
General government	\$ 3,323,238	658,018	-	(2,665,220)
Parks and recreation	6,667,066	1,394,799	105,000	(5,167,267)
Judicial	242,383	1,296,878		1,054,495
Planning	504,809	33,541		(471,268)
Developmental services	535,897	-		(535,897)
Public works	11,027,314	414,247	3,875,811	8,114,634
Public safety	8,468,966	55,799	570,213	(7,842,954)
Community development	181,407	4,623		(176,784)
Interest and fiscal charges	2,809,885		120,957	(2,688,928)
Total governmental activities	<u>\$ 33,760,965</u>	<u>3,857,905</u>	<u>4,671,981</u>	<u>8,114,634</u>
General revenues:				
Taxes:				
Property taxes, levied for debt service				524,173
Sales and local use taxes:				
Parks and capital management				11,302,198
Intergovernmental - pooled sales tax				6,124,859
Gross receipts taxes (includes franchise tax)				7,930,276
Miscellaneous taxes (includes sewer lateral)				559,184
Unrestricted interest earnings				47,236
Miscellaneous				182,939
Total general revenues				<u>26,670,865</u>
Changes in net assets				9,554,420
Net position - beginning of year				168,105,638
Net position - end of year				<u>\$ 177,660,058</u>

CITY OF CHESTERFIELD, MISSOURI
Balance Sheet
Governmental Funds
December 31, 2012

	Major Funds				Nonmajor Funds	
	General	Parks Sales Tax	Capital Improvement Sales Tax Trust	Parks Construction	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 12,139,312	1,801,773	822,783	2,913,633	1,517,233	19,194,734
Receivables:						
Municipal taxes	1,520,932	1,050,496	892,963	-	405,329	3,869,720
Intergovernmental	1,295,960	90,000	345,690	-	-	1,731,650
Interest	4,557	-	-	-	-	4,557
Other	503,869	-	-	-	-	503,869
Due from other funds	42,211	7,844	-	-	-	50,055
Prepays	326,621	-	-	-	1,850	328,471
Total assets	<u>\$ 15,833,462</u>	<u>2,950,113</u>	<u>2,061,436</u>	<u>2,913,633</u>	<u>1,924,412</u>	<u>25,683,056</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 520,642	151,570	98,832	47,580	34,160	852,784
Accrued salaries and other benefits	503,514	73,055	6,662	-	-	583,231
Due to other funds	7,844	-	216	-	41,995	50,055
Deferred revenue	638,650	3,861	-	-	85,415	727,926
Other liabilities	50,519	-	129,412	-	-	179,931
Total liabilities	<u>1,721,169</u>	<u>228,486</u>	<u>235,122</u>	<u>47,580</u>	<u>161,570</u>	<u>2,393,927</u>
Fund balances						
Nonspendable:						
Prepaid Expenses	326,621	-	-	-	1,850	328,471
Restricted for:						
Public Safety	125,150	-	-	-	70,893	196,043
Sewer Lateral	-	-	-	-	762,370	762,370
Debt Service	-	-	-	-	574,228	574,228
Capital Projects	-	-	1,826,314	-	-	1,826,314
Committed to:						
Capital Projects	712,719	-	-	2,866,053	353,460	3,932,232
Administration	-	-	-	-	-	-
Parks	-	117,141	-	-	-	117,141
Assigned to:						
Debt Service	-	-	-	-	41	41
Parks	-	2,604,486	-	-	-	2,604,486
Unassigned	12,947,803	-	-	-	-	12,947,803
Total fund balances	<u>14,112,293</u>	<u>2,721,627</u>	<u>1,826,314</u>	<u>2,866,053</u>	<u>1,762,842</u>	<u>23,289,129</u>
Total liabilities and fund balances	<u>\$ 15,833,462</u>	<u>2,950,113</u>	<u>2,061,436</u>	<u>2,913,633</u>	<u>1,924,412</u>	<u>25,683,056</u>

CITY OF CHESTERFIELD, MISSOURI
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2012

Total fund balances - governmental funds \$ 23,289,129

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 (\$299,508,278) exceeded accumulated depreciation (\$82,722,359) as of December 31, 2012 216,785,919

Property taxes are assessed by the City, but not collected as of December 31, 2012 and deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements. 78,698

Court fines receivable as of December 31, 2012 are deferred within the governmental funds financial statements. This amount is recognized in the government-wide financial statements. 244,078

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, 2012 are:

Accrued compensated absences, vacation, and compensatory time-off	(775,260)
Accrued interest on outstanding debt as of year-end 2012	(567,462)
Bonds, notes payable, and lease obligations outstanding	(61,390,000)
Unamortized bond premium	(934,592)
Unamortized bond issuance cost	929,548
	929,548

Total net assets of governmental activities \$ 177,660,058

CITY OF CHESTERFIELD, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2012

	<u>Major Funds</u>				<u>Nonmajor Funds</u>	<u>Total Governmental 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>	
REVENUES						
Municipal taxes	\$ 13,266,880	6,108,998	5,193,200	-	961,711	25,530,789
Licenses and permits	1,446,273	-	-	-	-	1,446,273
Intergovernmental	4,527,289	105,000	1,134,829	-	173,027	5,940,145
Charges for services, net	188,656	1,394,799	-	-	-	1,583,455
Court fines and forfeitures	1,290,848	-	-	-	-	1,290,848
Investment income, net arbitrage	37,493	5,633	504.00	1,776	1,830	47,236
Miscellaneous	109,172	76,956	97,200	-	198,200	481,528
Total revenues	<u>20,866,611</u>	<u>7,691,386</u>	<u>6,425,733</u>	<u>1,776</u>	<u>1,334,768</u>	<u>36,320,274</u>
EXPENDITURES						
Current:						
Legislative	70,194	-	-	-	-	70,194
Administrative	3,010,635	-	-	-	-	3,010,635
Police services	7,827,528	-	-	-	50,820	7,878,348
Judicial	241,426	-	-	-	-	241,426
Planning and zoning	533,901	-	-	-	-	533,901
Developmental services	510,065	-	-	-	-	510,065
Public works	5,003,041	-	172,408	-	460,967	5,636,416
Parks and recreation	-	4,026,900	-	-	-	4,026,900
Capital outlay	1,291,057	826,640	3,646,037	926,525	883,000	7,573,259
Debt service:						
Principal	-	-	-	-	4,645,000	4,645,000
Interest and fiscal charges	-	-	-	-	2,851,471	2,851,471
Total expenditures	<u>18,487,847</u>	<u>4,853,540</u>	<u>3,818,445</u>	<u>926,525</u>	<u>8,891,258</u>	<u>36,977,615</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,378,764</u>	<u>2,837,846</u>	<u>2,607,288</u>	<u>(924,749)</u>	<u>(7,556,490)</u>	<u>(657,341)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	41,733	21,000	575,000	625,000	6,734,497	7,997,230
Transfers out	(2,514,458)	(3,459,438)	(1,981,601)	-	(41,733)	(7,997,230)
Sale of capital assets	138,339	-	-	-	-	138,339
Total other financing sources (uses), net	<u>(2,334,386)</u>	<u>(3,438,438)</u>	<u>(1,406,601)</u>	<u>625,000</u>	<u>6,692,764</u>	<u>138,339</u>
Net change in fund balances	44,378	(600,592)	1,200,687	(299,749)	(863,726)	(519,002)
Fund balances:						
Beginning of year	14,067,915	3,322,219	625,627	3,165,802	2,626,568	23,808,131
End of year	<u>\$ 14,112,293</u>	<u>2,721,627</u>	<u>1,826,314</u>	<u>2,866,053</u>	<u>1,762,842</u>	<u>23,289,129</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, 2012

Net change in fund balances - governmental funds \$ (519,002)

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 \$5,444,854 was less than depreciation (\$6,888,625) in the current period. (1,443,771)

The net effect of various miscellaneous transactions involving capital assets:

Disposal of assets	(140,157)	
Contributed capital assets	<u>6,979,805</u>	6,839,648

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	(8,438)
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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.	25,562
--	--------

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.

Annual principal payments on bonds and certificates of participation	4,645,000
--	-----------

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	(26,165)
Accrued interest on bonds	44,267
Amortized bond issuance cost	(96,024)
Amortized bond premium	<u>93,343</u>

Change in net assets of governmental activities	<u><u>\$ 9,554,420</u></u>
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CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2012

(1) Summary of Significant Accounting Policies

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

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

(a) *The Financial Reporting Entity*

The City defines its financial reporting entity in accordance with the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14). GASB 14 requirements for inclusion of component units are based primarily upon whether the City's governing body has any significant amount of financial accountability for potential component units. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or there is a potential for the potential component unit to provide specific financial benefits to, or impose specific financial burdens on, the City. Based on this criteria, the City has determined that its financial reporting entity consists of the City (primary government) and no other reporting units.

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. *Program revenues* include: 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues.

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The City has determined that the General Fund, 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 position for governmental activities as shown on the statement of net position. The net change in fund balances for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

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

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

Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term “available” is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For the City, available is defined as expected to be received within 60 days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due (e.g., matured).

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

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

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

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as deferred revenues.

Charges for services in the governmental funds, which are exchange transactions and are, therefore, not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

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

(d) *Encumbrances*

Within the governmental funds financial statements, no fund balances have been restricted 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.

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
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(f) Investments

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

(g) Capital Assets

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

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

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

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

(h) Compensated Absences

The City grants vacation to all full-time employees based on years of continuous service, and compensatory time is granted to all nonexempt employees for hours worked in excess of a normal work week that are not taken within the current biweekly pay period. These benefits are allowed to accumulate and to carry over, with limitation, into the next calendar year and will be paid to employees upon resignation, retirement, or death. Sick leave benefits do not vest and, accordingly, are recorded as expenditures when paid. The entire accrued benefit liability related to the City's compensated absences in the amount of \$775,260 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.

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
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(j) *Interfund Transactions*

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

Transfers

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

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

(k) *Deferred Revenue*

The City has received inspection fees in advance from various developers. These fees are recognized as revenue as the City performs the inspections of the developments. This revenue is recorded in the government-wide statements as unearned revenue and as deferred revenue in the fund financial statements. Also included in the fund financial statements in deferred revenue are property tax revenues and court fines that are not collected within 60 days following the end of the current period and gross receipt taxes received from wireless telecommunication companies under protest.

(l) *Governmental Fund Balance Classification and Policies*

The City's policy is to report the fund balance in the following categories, when applicable, 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 constrained to specific purposes 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 City Council or by a City official to which the governing City Council delegates the authority (such as encumbrances).

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

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

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

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
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(l) Governmental Fund Balance Classification and Policies (Continued)

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unassigned fund balance of not less than 40% of annual operating expenditures and transfers out for the year.

(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 position.

(n) Amortization

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

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

(o) Use of Estimates

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

(2) Cash and Investments

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

The following is a reconciliation of the City's deposit and investment balances at December 31, 2012:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Fiduciary Net Assets	Total
Cash and cash equivalents	\$ 17,193,004	6,957,106	24,150,110
Investments	2,001,730	-	2,001,730
	<u>\$ 19,194,734</u>	<u>6,957,106</u>	<u>26,151,840</u>

CITY OF CHESTERFIELD, MISSOURI
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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, 2012:

	Fair Market Value	No Maturity	1-5 Years
Primary Government			
Money market	\$ 2,961,640	2,961,640	-
U.S. Agency Securities	2,001,730	-	450,603
Total primary government	<u>4,963,370</u>	<u>2,961,640</u>	<u>450,603</u>
Grand total investments	<u>\$ 4,963,370</u>	<u>2,961,640</u>	<u>450,603</u>

Credit Risk

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

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

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, 2012, excluding obligations of the United States government or obligations explicitly guaranteed by the United States government.

	Fair Market Value	Average Credit Quality (Moody's)
U.S. Agency Securities	\$ 2,001,730	AAA
Money Market*	2,961,640	Unrated

*Collateralized by United States Treasury or Agency securities

CITY OF CHESTERFIELD, MISSOURI
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Concentration of Credit Risk

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

- United States Treasury securities - up to 100% of total investments
- United States Agency securities - no more than 60% of total investments
- Collateralized certificates of deposit - no more than 50% of total investments
- Collateralized repurchase agreements - no more than 50% of total investments
- United States agency callable securities - no more than 35% of total investments
- Commercial paper - no more than 10% of total investments
- Bankers acceptances - no more than 10% of total investments

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

	Fair Market Value	Percent of Total Investments
U.S. Agency Securities	\$ 2,001,730	40.3%
Money Market*	2,961,640	59.7%
*Collateralized by United States Treasury or Agency securities		

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution.

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

(3) Receivables, Net of Allowances

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

	Municipal Taxes	Intergovernmental	Interest	Other	Total Receivables
Governmental Activities					
General Fund	\$ 1,520,932	1,295,960	4,557	503,869	3,325,318
Parks Sales Tax Fund	1,050,496	90,000	-	-	1,140,496
Capital Improvement Sales Tax Trust Fund	892,963	345,690			1,238,653
Nonmajor other governmental Funds	405,329				405,329
Total governmental activities	\$ 3,869,720	1,731,650	4,557	503,869	6,109,796

CITY OF CHESTERFIELD, MISSOURI
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(4) Capital Assets

The following is a summary of changes in capital assets - governmental activities for the year ended December 31, 2012:

Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	31,674,343	-	-	31,674,343
Right-of-way	80,986,776	2,758,312	-	83,745,088
Construction in progress	3,639,866	1,897,012	(3,906,614)	1,630,264
Total capital assets not being depreciated	<u>116,300,985</u>	<u>4,655,324</u>	<u>(3,906,614)</u>	<u>117,049,695</u>
<i>Capital assets being depreciated:</i>				
Buildings	26,567,350	-	-	26,567,350
Other improvements	29,543,422	2,770,984	-	32,314,406
Machinery and equipment	5,387,977	356,603	(255,937)	5,488,643
Automobiles and trucks	4,261,733	703,963	(433,462)	4,532,234
Infrastructure	107,813,643	7,875,327	(2,133,020)	113,555,950
Total capital assets being depreciated	<u>173,574,125</u>	<u>11,706,877</u>	<u>(2,822,419)</u>	<u>182,458,583</u>
<i>Less - Accumulated depreciation for:</i>				
Buildings	4,786,274	666,756	-	5,453,030
Other improvements	8,265,788	1,380,047	-	9,645,835
Machinery and equipment	3,516,910	331,275	(198,104)	3,650,081
Automobiles and trucks	2,365,779	593,313	(320,211)	2,638,881
Infrastructure	59,550,318	3,917,234	(2,133,020)	61,334,532
Total accumulated depreciation	<u>78,485,069</u>	<u>6,888,625</u>	<u>(2,651,335)</u>	<u>82,722,359</u>
Total capital assets being depreciated, net	<u>95,089,056</u>	<u>4,818,252</u>	<u>(171,084)</u>	<u>99,736,224</u>
Governmental activities - capital assets, net	<u>211,390,041</u>	<u>9,473,576</u>	<u>(4,077,698)</u>	<u>216,785,919</u>

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

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
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Governmental Activities

General government	\$ 408,349
Parks and recreation	1,761,270
Planning	13,233
Public works	4,113,763
Public safety	592,008
Total depreciation expense, governmental activities	<hr style="border: 0.5px solid black;"/> 6,888,623

(5) Accounts Payable

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

(6) Restricted Net position

The government-wide statement of net position reports \$3,673,588 of restricted net position, of which \$3,441,354 is restricted by enabling legislation.

(7) Property Taxes

The City's property tax is levied each September based on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are billed in November, due and collectible on December 31, and delinquent after December 31. Liens are placed on property for delinquent taxes on January 1 following the due date. During 2008, the City decreased its levied tax rate from \$0.06 per \$100 of assessed valuation to \$0.03 per \$100 of assessed valuation. The tax levy is for the retirement of general obligation bonds payable.

Taxes levied for 2012 are recorded as receivables, net of estimated uncollectible amounts; however, revenue recognition on all property tax receivables not collected within 60 days after year-end is deferred on the fund financial statements and recognized as revenue in the government-wide financial statements. The 2011 levy was due and collectible within the City's fiscal year ended December 31, 2012.

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

CITY OF CHESTERFIELD, MISSOURI
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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 2012 premium payments to the trust were \$364,968.

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.

(10) Retirement Plan

The City contributes to the City of Chesterfield Missouri 401(a) Retirement Plan, a defined contribution pension plan, for all eligible full time employees. All full time employees are eligible to participate in the Plan after they have completed one year of service and attained the age of 18. The Plan is administered by Mass Mutual (formerly Hartford Investment.)

Benefit terms for the Plan are established and may be amended by the City Council. Per City ordinance, the City contributes an amount equal to 8% of compensation of eligible participants. For the year ended December 31, 2012, the City recognized pension expense of \$910,927.

Employees become vested in City contributions and earnings on City contributions after completion of 5 years of credited service with the City. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to offset contributions from the City. For the year ended December 31, 2013, forfeitures reduced the City's pension expense by \$83,415.

(11) Interfund Balances

Individual fund interfund receivable and payable balances as of December 31, 2012 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Sales Tax Trust Fund	\$ 216
General Fund	nonmajor governmental funds	41,995
Park Sales Tax Fund	General Fund	7,844
		<u>\$ 50,055</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

CITY OF CHESTERFIELD, MISSOURI
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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, 2012 are as follows:

2013	31,088
2014	6,973
2015	5,078
2016	606
	\$ 43,745

(13) Long-Term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended December 31, 2012:

	Balance			Balance	
	December 31			December 31	
	2011	Additions	Reductions	2012	Amounts Due Within One Year
Compensated absences	\$ 749,095	978,403	(952,238)	775,260	704,782
General obligation bonds	17,110,000	-	(2,270,000)	14,840,000	2,375,000
Plus - Issuance premium	202,577	-	(26,348)	176,229	-
Certificates of participation	48,925,000	-	(2,375,000)	46,550,000	2,530,000
Plus - Issuance premium	825,360	-	(66,995)	758,365	-
Total	\$ 67,812,032	978,403	(5,690,581)	63,099,854	5,609,782

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 Series 2011 bonds bear interest ranging from 2.95% to 3.5% and are repaid through a Debt Service Fund. The net proceeds of the Series 2008 bonds plus an additional \$88,646 of City monies were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the \$5,245,000 principal of the Series 1998 bonds. As a result, the Series 1998 bonds are considered defeased and the liability for these bonds has been removed from the basic financial statements. The City decreased its aggregated debt service payments by \$368,292 over 7 years which resulted in economic gain (difference between the present values of the of the old and new debt service payments) of \$356,707.

In February 2005, the City issued \$17,760,000 in General Obligation Refunding Bonds Series 2005 for a crossover refunding for a portion of General Obligation Bonds Series 1997 and a portion of General Obligation Bonds 1999 that had \$9,265,000 and \$13,055,000 outstanding, respectively. The Series 2005 bonds bear interest ranging from 3% to 5% and are repaid through a Debt Service Fund. The net proceeds of the Series 2005 issue were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments of the Series 2005 bonds to the "crossover" date of February 15, 2007 for the General Obligation Bonds Series 1997 and February 15, 2012 for the General Obligation Bonds Series 1999 and to provide for the \$17,760,000 called principal of the bonds on those dates. A crossover refunding does not result in the defeasance of debt prior to the crossover date because the assets placed in the irrevocable escrow are not used solely for satisfying scheduled payments on the defeased debt.

CITY OF CHESTERFIELD, MISSOURI
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The annual principal and interest requirements to maturity of the General Obligation Bonds as of December 31, 2012 are as follows:

<u>December 31</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	1,805,000	203,326	2,008,326
2018 - 2019	3,945,000	168,813	4,113,813
	<u>\$ 14,840,000</u>	<u>2,004,638</u>	<u>16,844,638</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 21, 2012 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 .50% to 3.45% and will be repaid by the Park Sales Tax Fund operating revenues.

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 21, 2012 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 5.65 % to 6.30% and will be repaid by the Park Sales Tax Fund operating revenues.

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, 2011 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 by the Park Sales Tax Fund operating revenues.

In January 2005, the City issued \$25,710,000 in Certificates of Participation (Series 2005), which represent proportionate interests in base rentals to be paid by the City pursuant to an annually renewable lease/purchase agreement dated January 1, 2005 between the City and Wells Fargo Bank (the trustee/lessor). The trustee has agreed to execute and deliver certificates pursuant to a declaration and indenture of trust to finance the City's acquisition and construction of park land and parks and recreation amenities. The base rentals constitute rent for the land and amenities pursuant to the lease. The certificates of participation bear interest ranging from 3% to 5% and will be repaid through the revenues

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2012

generated by the ½ cent sales tax for parks passed by voters in November 2004. This sales tax has taken effect on April 1, 2005.

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

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

The annual principal and interest requirements to maturity of the certificates of participation as of December 31, 2012 are as follows:

<u>December 31</u>	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	3,085,000	1,602,923	4,687,923
2018 - 2022	18,215,000	5,732,995	23,947,995
2023 - 2027	10,870,000	1,919,536	12,789,536
2028 - 2031	3,435,000	348,174	3,783,174
	<u>\$ 46,550,000</u>	<u>17,156,227</u>	<u>63,706,227</u>

(14) Interfund Transfers

Individual fund transfers for the year ended December 31, 2012 are as follows:

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2012

	Transfers From				Total
	General Fund	Parks Sales Tax Fund	Capital Improvement Sales Tax Trust Fund	Other Nonmajor Governmental Funds	
Transfers To					
General Fund	\$ -	-	-	41,733	41,733
Capital Improvement					
Sales Tax Trust Fund	575,000	-	-	-	575,000
Parks Sales Tax Fund	21,000	-	-	-	21,000
Parks Construction Fund	-	625,000	-	-	625,000
Other nonmajor governmental funds	1,918,458	2,834,438	1,981,601	-	6,734,497
	<u>\$ 2,514,458</u>	<u>3,459,438</u>	<u>1,981,601</u>	<u>41,733</u>	<u>7,997,230</u>

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

(15) Commitments and Contingencies

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

(16) Pledged Revenues

The City has pledged a portion of future parks sales tax revenues to repay \$25,710,000 in certificates of participation issued in December 2005 to finance park improvements throughout the City. The certificates are payable solely from the sales taxes generated by a 1/2 cent parks sales tax. These taxes were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$29,348,624 payable through December 2025. For the current year, principal and interest paid and total sales tax revenues were \$1,826,391 and \$6,108,998, respectively.

(17) GASB 63

During the fiscal year 2012, the City implemented Governmental Accounting Standards Board Statement No. 63 Financial Reporting of Deferred Outflows of Resources, and Net Position as required by the Governmental Accounting Standards Board.

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, 2012

Schedule 1

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Municipal taxes:				
Utility gross receipts	\$7,381,840	7,381,840	7,142,020	(239,820)
Sales taxes	6,107,332	6,107,332	6,124,860	17,528
Total municipal taxes	<u>13,489,172</u>	<u>13,489,172</u>	<u>13,266,880</u>	<u>(222,292)</u>
Licenses and permits	<u>1,424,220</u>	<u>1,424,220</u>	<u>1,446,273</u>	<u>22,053</u>
Intergovernmental:				
Motor fuel and vehicle sales taxes	1,797,047	1,797,047	1,702,368	(94,679)
Cigarette tax	126,110	126,110	130,076	3,966
Road and bridge tax	1,834,743	1,834,743	1,870,092	35,349
Grants and other	472,850	776,150	824,753	48,603
Total intergovernmental	<u>4,230,750</u>	<u>4,534,050</u>	<u>4,527,289</u>	<u>(6,761)</u>
Charges for services:				
Inspection and subdivision fees	28,223	28,223	106,303	78,080
Zoning applications	2,340	2,340	14,116	11,776
Police reports	6,946	6,946	7,697	751
False alarms	24,015	24,015	27,735	3,720
Other charges	27,111	27,111	32,805	5,694
Total charges for services	<u>88,635</u>	<u>88,635</u>	<u>188,656</u>	<u>100,021</u>
Court fines and forfeitures	<u>1,235,047</u>	<u>1,235,047</u>	<u>1,290,848</u>	<u>55,801</u>
Investment income	<u>20,000</u>	<u>20,000</u>	<u>37,493</u>	<u>17,493</u>
Miscellaneous	<u>29,000</u>	<u>33,584</u>	<u>109,172</u>	<u>75,588</u>
Total revenues	<u>20,516,824</u>	<u>20,824,708</u>	<u>20,866,611</u>	<u>41,903</u>
EXPENDITURES	<u>18,751,492</u>	<u>19,518,313</u>	<u>18,487,847</u>	<u>(1,030,466)</u>
Excess of revenues over expenditures	<u>1,765,332</u>	<u>1,306,395</u>	<u>2,378,764</u>	<u>1,072,369</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	41,733	41,733	41,733	-
Transfers out	(1,668,970)	(2,514,970)	(2,514,458)	512
Sale of capital assets	130,000	130,000	138,339	8,339
Total other financing sources (uses), net	<u>(1,497,237)</u>	<u>(2,343,237)</u>	<u>(2,334,386)</u>	<u>8,851</u>
Net change in fund balance	<u>\$ 268,095</u>	<u>(1,036,842)</u>	<u>44,378</u>	<u>1,081,220</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, 2012

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	66,199	66,259	66,253	6
Contractual services	12,850	12,790	3,551	9,239
Commodities	1,100	1,100	390	710
Total legislative	<u>80,149</u>	<u>80,149</u>	<u>70,194</u>	<u>9,955</u>
Administrative:				
City clerk:				
Personal services	194,046	194,046	181,528	12,518
Contractual services	29,700	29,700	24,635	5,065
Commodities	800	800	642	158
City Administrator:				
Personal services	274,368	275,568	275,564	4
Contractual services	7,979	6,779	6,287	492
Commodities	200	200	165	35
Asst City Administrator / Economic development				
Personal services	125,062	125,062	125,048	14
Contractual services	72,500	69,900	54,674	15,226
Commodities	500	1,500	1,486	14
Finance:				
Personal services	469,609	469,609	390,487	79,122
Contractual services	50,465	49,465	34,999	14,466
Commodities	1,500	2,500	2,279	221
Central services:				
Personal services	120,000	269,500	237,378	32,122
Contractual services	1,313,388	1,358,388	1,246,678	111,710
Commodities	33,700	33,700	27,101	6,599
Information systems:				
Personal services	244,826	244,826	237,137	7,689
Contractual services	134,000	138,550	126,143	12,407
Commodities	36,500	43,300	38,404	4,896
Capital outlay	15,000	15,000	12,470	2,530
Total administrative	<u>3,124,143</u>	<u>3,328,393</u>	<u>3,023,105</u>	<u>305,288</u>
Police services:				
Personal services	7,266,623	7,266,623	7,247,198	19,425
Contractual services	484,060	484,060	423,196	60,864
Commodities	180,644	173,844	157,134	16,710
Capital outlay	250,350	257,091	256,435	656
Total police services	<u>8,181,677</u>	<u>8,181,618</u>	<u>8,083,963</u>	<u>97,655</u>
Judicial:				
Personal services	185,129	185,129	177,284	7,845
Contractual services	64,392	64,392	63,635	757
Commodities	1,200	1,200	507	693
Total judicial	<u>250,721</u>	<u>250,721</u>	<u>241,426</u>	<u>9,295</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, 2012

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	\$573,947	574,047	512,337	61,710
Contractual services	31,700	39,100	17,904	21,196
Commodities	1,750	11,750	3,660	8,090
Total planning and zoning	<u>607,397</u>	<u>624,897</u>	<u>533,901</u>	<u>90,996</u>
Development:				
Personal services	461,546	461,596	461,590	6
Contractual services	68,110	89,891	43,111	46,780
Commodities	7,500	7,500	5,364	2,136
Capital outlay	15,000.00	26,734	19,340	7,394
Total development	<u>552,156</u>	<u>585,721</u>	<u>529,405</u>	<u>56,316</u>
Public works:				
Administration and engineering:				
Personal services	647,098	647,098	580,931	66,167
Contractual services	127,790	147,771	134,859	12,912
Commodities	19,800	19,800	13,942	5,858
Capital outlay	-	-	-	-
Street and sewer maintenance:				
Personal services	1,719,746	1,719,746	1,673,342	46,404
Contractual services	582,875	602,005	544,912	57,093
Commodities	526,180	433,287	356,275	77,012
Capital outlay	341,500	486,500	456,143	30,357
Vehicle maintenance:				
Personal services	348,440	348,440	332,314	16,126
Contractual services	249,500	251,084	225,430	25,654
Commodities	527,500	527,500	448,466	79,034
Capital outlay	102,400	59,192	59,076	116
Building maintenance:				
Personal services	355,670	355,670	340,502	15,168
Contractual services	299,250	299,250	293,499	5,751
Commodities	53,500	53,500	36,484	17,016
Capital outlay	28,500.00	70,500	67,743	2,757
Street lighting:				
Contractual services	23,000	23,000	22,085	915
Commodities	2,500	2,500	-	2,500
Intergovernmental	-	419,971	419,850	121
Total public works	<u>5,955,249</u>	<u>6,466,814</u>	<u>6,005,853</u>	<u>460,961</u>
Total expenditures	<u>\$ 18,751,492</u>	<u>19,518,313</u>	<u>18,487,847</u>	<u>1,030,466</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, 2012

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	\$ 5,941,266	5,941,266	6,108,998	167,732
Intergovernmental	-	90,000	105,000	15,000
Park charges and fees	1,152,980	1,301,980	1,394,799	92,819
Investment income	5,000	5,000	5,633	633
Miscellaneous	-	75,652	76,956	1,304
Total revenues	<u>7,099,246</u>	<u>7,413,898</u>	<u>7,691,386</u>	<u>277,488</u>
EXPENDITURES				
Parks and recreation	4,012,351	4,134,575	4,026,900	107,675
Capital outlay	239,865	863,291	826,640	36,651
Total expenditures	<u>4,252,216</u>	<u>4,997,866</u>	<u>4,853,540</u>	<u>144,326</u>
Excess of revenues over expenditures	<u>2,847,030</u>	<u>2,416,032</u>	<u>2,837,846</u>	<u>421,814</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	21,000	21,000	-
Transfers out	(2,832,583)	(3,459,583)	(3,459,438)	145
Total other financing sources (uses), net	<u>(2,832,583)</u>	<u>(3,438,583)</u>	<u>(3,438,438)</u>	<u>145</u>
Net change in fund balance	<u>\$ 14,447</u>	<u>(1,022,551)</u>	<u>(600,592)</u>	<u>421,959</u>

CITY OF CHESTERFIELD, MISSOURI
Capital Improvement Sales Tax Trust Fund - Capital Project Major Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the year ended December 31, 2012

Schedule 3

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Municipal taxes:				
Sales taxes	\$ 5,052,090	5,052,090	5,193,200	141,110
Intergovernmental	1,382,687	1,382,687	1,134,829	(247,858)
Investment income	-	-	504	504
Miscellaneous income	-	-	97,200	97,200
Total revenues	<u>6,434,777</u>	<u>6,434,777</u>	<u>6,425,733</u>	<u>(9,044)</u>
EXPENDITURES				
Public works	184,802	184,802	172,408	12,394
Capital outlay	4,423,999	4,162,145	3,646,037	516,108
Total expenditures	<u>4,608,801</u>	<u>4,346,947</u>	<u>3,818,445</u>	<u>528,502</u>
Excess of revenues over expenditures	<u>1,825,976</u>	<u>2,087,830</u>	<u>2,607,288</u>	<u>519,458</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	575,000	575,000	-
Transfers out	(1,981,602)	(1,981,602)	(1,981,601)	1
Total other financing sources (uses), net	<u>(1,981,602)</u>	<u>(1,406,602)</u>	<u>(1,406,601)</u>	<u>1</u>
Net change in fund balance	<u>\$ (155,626)</u>	<u>681,228</u>	<u>1,200,687</u>	<u>519,459</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, 2012

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 Finance Director.
- 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 Finance Director 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 advance refunded the General Obligation Bond issue, Series 1998.

Public Works Facility 1995 and 2002 - This fund is used to account for the accumulation of resources and payment of principal and interest on the Public Works Facility Certificates of Participation, Series 1995 and 2002.

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

Parks Construction - 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, 2012

Schedule 4

	Nonmajor Special Revenue Funds			Total Special Revenue	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
	Police Forfeiture	Sewer Lateral	Chesterfield Valley Tax Increment Financing			
ASSETS						
Cash and investments	\$ 85,981	701,873	366,828	1,154,682	362,551	1,517,233
Receivables:						
Municipal taxes	-	114,650	-	114,650	290,679	405,329
Interest	-	-	-	-	-	-
Prepays	-	-	-	-	1,850	1,850
Total assets	<u>\$ 85,981</u>	<u>816,523</u>	<u>\$ 366,828</u>	<u>1,269,332</u>	<u>655,080</u>	<u>1,924,412</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 15,088	12,420	6,652	34,160	-	34,160
Due to other funds	-	41,733	-	41,733	262	41,995
Deferred revenue	-	-	6,716	6,716	78,699	85,415
Total liabilities	<u>15,088</u>	<u>54,153</u>	<u>13,368</u>	<u>82,609</u>	<u>78,961</u>	<u>161,570</u>
Fund balances						
Nonspendable: Prepaid Expenses	-	-	-	-	1,850	1,850
Restricted for:						
Public Safety	70,893	-	-	70,893	-	70,893
Sewer Lateral	-	762,370	-	762,370	-	762,370
Debt Service	-	-	-	-	574,228	574,228
Committed for Capital Projects	-	-	353,460	353,460	-	353,460
Assigned for Debt Service	-	-	-	-	41	41
Total fund balances	<u>70,893</u>	<u>762,370</u>	<u>353,460</u>	<u>1,186,723</u>	<u>576,119</u>	<u>1,762,842</u>
Total liabilities and fund balances	<u>\$ 85,981</u>	<u>816,523</u>	<u>366,828</u>	<u>1,269,332</u>	<u>655,080</u>	<u>1,924,412</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2012

Schedule 5

	Nonmajor Special Revenue Funds			Total Special Revenue	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
	Police Forfeiture	Sewer Lateral	Chesterfield Valley Tax Increment Financing			
REVENUES						
Municipal taxes	\$ -	429,099	-	429,099	532,612	961,711
Intergovernmental	52,070	-	-	52,070	120,957	173,027
Investment income	-	992	815	1,807	23	1,830
Miscellaneous	-	-	198,200	198,200	-	198,200
Total revenues	<u>52,070</u>	<u>430,091</u>	<u>199,015</u>	<u>681,176</u>	<u>653,592</u>	<u>1,334,768</u>
EXPENDITURES						
Current:						
Police services	50,820	-	-	50,820	-	50,820
Public works	-	460,967	-	460,967	-	460,967
Capital outlay	12,100	-	870,900	883,000	-	883,000
Debt service:						
Principal	-	-	-	-	4,645,000	4,645,000
Interest and fiscal charges	-	-	-	-	2,851,471	2,851,471
Total expenditures	<u>62,920</u>	<u>460,967</u>	<u>870,900</u>	<u>1,394,787</u>	<u>7,496,471</u>	<u>8,891,258</u>
Deficiency of revenues under expenditures	<u>(10,850)</u>	<u>(30,876)</u>	<u>(671,885)</u>	<u>(713,611)</u>	<u>(6,842,879)</u>	<u>(7,556,490)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	250,000	250,000	6,484,497	6,734,497
Transfers out	-	(41,733)	-	(41,733)	-	(41,733)
Total other financing sources (uses), net	<u>-</u>	<u>(41,733)</u>	<u>250,000</u>	<u>208,267</u>	<u>6,484,497</u>	<u>6,692,764</u>
Net change in fund balances	<u>(10,850)</u>	<u>(72,609)</u>	<u>(421,885)</u>	<u>(505,344)</u>	<u>(358,382)</u>	<u>(863,726)</u>
Fund balances:						
Beginning of year	81,743	834,979	775,345	1,692,067	934,501	2,626,568
End of year	<u>\$ 70,893</u>	<u>762,370</u>	<u>353,460</u>	<u>1,186,723</u>	<u>576,119</u>	<u>1,762,842</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2012

Schedule 6

	<u>Parks 1998</u>	<u>Public Works Facility 1995 and 2002</u>	<u>City Hall</u>	<u>Parks Construction</u>	<u>R&S Debt Service</u>	<u>Total</u>
ASSETS						
Cash and investments	\$ 131,905	230,605	1	40	-	362,551
Receivables:						
Municipal taxes	290,679	-	-	-	-	290,679
Prepays	-	-	-	1,850	-	1,850
Total assets	<u>\$ 422,584</u>	<u>230,605</u>	<u>1</u>	<u>1,890</u>	<u>-</u>	<u>655,080</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Due to other funds	\$ -	262	-	-	-	262
Deferred revenue	78,699	-	-	-	-	78,699
Total liabilities	<u>78,699</u>	<u>262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,961</u>
Fund balances						
Nonspendable: Prepaid Expenses	-	-	-	1,850	-	1,850
Restricted for Debt Service	343,885	230,343	-	-	-	574,228
Assigned for Debt Service	-	-	1	40	-	41
Total Fund Balance	<u>343,885</u>	<u>230,343</u>	<u>1</u>	<u>1,890</u>	<u>-</u>	<u>576,119</u>
Total liabilities and fund balances	<u>\$ 422,584</u>	<u>\$ 230,605</u>	<u>\$ 1</u>	<u>\$ 1,890</u>	<u>\$ -</u>	<u>\$ 655,080</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, 2012

Schedule 7

	Parks 1998	Public Works Facility 1995 and 2002	City Hall	Parks Construction	R&S Debt Service	Total
REVENUES						
Municipal taxes	\$ 532,612	-	-	-	-	532,612
Investment income	-	-	2	21	-	23
Intergovernmental	-	-	-	120,957	-	120,957
Total revenues	532,612	-	2	120,978	-	653,592
EXPENDITURES						
Debt service:						
Principal	810,000	195,000	850,000	1,330,000	1,460,000	4,645,000
Interest and fiscal charges	82,870	34,248	589,213	1,623,539	521,601	2,851,471
Total expenditures	892,870	229,248	1,439,213	2,953,539	1,981,601	7,496,471
Deficiency of revenues under expenditures	(360,258)	(229,248)	(1,439,211)	(2,832,561)	(1,981,601)	(6,842,879)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	229,248	1,439,210	2,834,438	1,981,601	6,484,497
Total other financing sources (uses), net	-	229,248	1,439,210	2,834,438	1,981,601	6,484,497
Net change in fund balances	(360,258)	-	(1)	1,877	-	(358,382)
Fund balances:						
Beginning of year	704,143	230,343	2	13	-	934,501
End of year	\$ 343,885	230,343	1	1,890	-	576,119

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, 2012

Schedule 8

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	52,070	52,070	-
EXPENDITURES				
Police services	-	50,900	50,820	
Capital outlay	-	12,100	12,100	-
Total expenditures	-	63,000	62,920	(80)
Net change in fund balances	\$ -	(10,930)	(10,850)	80

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, 2012

Schedule 9

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Municipal taxes	\$ 420,000	420,000	429,099	9,099
Investment income	1,000	1,000	992	(8)
Total revenues	<u>421,000</u>	<u>421,000</u>	<u>430,091</u>	<u>9,091</u>
EXPENDITURES				
Public works	430,000	461,000	460,967	33
Deficiency of revenues under expenditures	(9,000)	(40,000)	(30,876)	9,124
OTHER FINANCING USES				
Transfers out	41,733	(41,733)	(41,733)	-
Net change in fund balances	<u>\$ 32,733</u>	<u>(81,733)</u>	<u>(72,609)</u>	<u>9,124</u>

Schedule 10

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, 2012

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ -	-	815	815
Miscellaneous	-	-	198,200	198,200
Total revenues	-	-	199,015	815
EXPENDITURES				
Public works	-	1,052,671	870,900	181,771
Deficiency of revenues under expenditures	-	(1,052,671)	(671,885)	182,586
OTHER FINANCING SOURCES				
Transfers in	-	250,000	250,000	-
Net change in fund balance	\$ -	(802,671)	(421,885)	182,586

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, 2012

Schedule 11

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 480,000	480,000	532,612	52,612
Investment income	1,000	1,000	-	(1,000)
Total revenues	<u>481,000</u>	<u>481,000</u>	<u>532,612</u>	<u>51,612</u>
EXPENDITURES				
Debt service:				
Principal	810,000	810,000	810,000	-
Interest and fiscal charges	82,883	82,883	82,870	13
Total expenditures	<u>892,883</u>	<u>892,883</u>	<u>892,870</u>	<u>13</u>
Net change in fund balance	<u>(411,883)</u>	<u>(411,883)</u>	<u>(360,258)</u>	<u>51,625</u>

CITY OF CHESTERFIELD, MISSOURI
Public Works Facility 1995 and 2002 - Nonmajor Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the year ended December 31, 2012

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	\$ -	-	-	-
EXPENDITURES				
Debt service:				
Principal	195,000	195,000	195,000	-
Interest and fiscal charges	33,170	33,170	34,248	(1,078)
Total expenditures	<u>228,170</u>	<u>228,170</u>	<u>229,248</u>	<u>(1,078)</u>
Deficiency of revenues under expenditures	(228,170)	(228,170)	(229,248)	(1,078)
OTHER FINANCING SOURCES				
Transfers in	228,170	228,170	229,248	1,078
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</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, 2012

Schedule 13

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ 2	2	2	-
EXPENDITURES				
Debt service:				
Principal	850,000	850,000	850,000	-
Interest and fiscal charges	590,800	590,800	589,213	1,587
Total expenditures	1,440,800	1,440,800	1,439,213	1,587
Deficiency of revenues under expenditures	(1,440,798)	(1,440,798)	(1,439,211)	1,587
OTHER FINANCING SOURCES				
Transfers in	1,408,500	1,408,500	1,439,210	30,710
Net change in fund balance	\$ (32,298)	(32,298)	(1)	32,297

CITY OF CHESTERFIELD, MISSOURI
Parks Construction - Nonmajor Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the year ended December 31, 2012

Schedule 14

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ -	-	21	21
Intergovernmental	120,958	120,958	120,957	(1)
Total Revenue	120,958	120,958	120,978	20
EXPENDITURES				
Debt service:				
Principal	1,330,000	1,330,000	1,330,000	-
Interest and fiscal charges	1,623,541	1,623,541	1,623,539	2
Total expenditures	2,953,541	2,953,541	2,953,539	2
Deficiency of revenues under expenditures	(2,953,541)	(2,953,541)	(2,832,561)	120,980
OTHER FINANCING SOURCES				
Transfers in	2,832,083	2,832,083	2,834,438	2,355
Net change in fund balance	\$ (121,458)	(121,458)	1,877	123,335

CITY OF CHESTERFIELD, MISSOURI
R&S Debt Service Fund - NonMajor Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the year ended December 31, 2012

Schedule 15

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ -	-	-	-
EXPENDITURES				
Debt service:				
Principal	1,460,000	1,460,000	1,460,000	-
Interest and fiscal charges	521,603	521,603	521,601	2
Total expenditures	1,981,603	1,981,603	1,981,601	2
Deficiency of revenues under expenditures	(1,981,603)	(1,981,603)	(1,981,601)	2
OTHER FINANCING SOURCES				
Transfers in	1,981,603	1,981,603	1,981,601	(2)
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, 2012

Schedule 16

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Investment income	\$ -	-	1,776	1,776
Miscellaneous	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>1,776</u>	<u>1,776</u>
EXPENDITURES				
Capital outlay	3,934,573	3,934,573	926,525	3,008,048
Total expenditures	<u>3,934,573</u>	<u>3,934,573</u>	<u>926,525</u>	<u>3,008,048</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	625,000	625,000	625,000	0
Total other financing sources (uses), net	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>0</u>
 Net change in fund balance	 <u>\$ (3,309,573)</u>	 <u>(3,309,573)</u>	 <u>(299,749)</u>	 <u>(3,006,272)</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Fiduciary Net Assets
Agency Funds
December 31, 2012

Schedule 17

	Court Bond Fund	Explorer's Fund	Highway 40 Trust Fund	Miscellaneous Escrow Fund	Total Agency Funds
ASSETS					
Cash and investments	\$ 77,025	6,779	55,172	6,818,130	6,957,106
LIABILITIES					
Accounts payable	\$ -	6,779	55,172	11,125	73,076
Deposits held in escrow	77,025	-	-	6,807,005	6,884,030
Total liabilities	\$ 77,025	6,779	55,172	6,818,130	6,957,106

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the year ended December 31, 2012

Schedule 18

	Balance December 31 2011	Additions	Deductions	Balance December 31 2012
Court Bond Fund				
Assets - cash and cash equivalents	99,669	212,938	235,582	77,025
Liabilities:				
Accounts payable	21,371	4,677	26,048	-
Deposits held in escrow	78,298	208,261	209,534	77,025
Total liabilities	99,669	212,938	235,582	77,025
Explorer's Fund				
Assets - cash and cash equivalents	13,735	15	6,971	6,779
Liabilities - accounts payable	13,735	15	6,971	6,779
Highway 40 Trust Fund				
Assets - cash and cash equivalents	80,236	-	25,064	55,172
Liabilities - accounts payable	80,236	-	25,064	55,172
Escrow Fund				
Assets - cash and cash equivalents	2,494,289	5,194,133	870,292	6,818,130
Liabilities - accounts payable	6,645	864,214	859,734	11,125
Liabilities - deposits held in escrow	2,487,644	4,329,919	10,558	6,807,005
Total liabilities	2,494,289	5,194,133	870,292	6,818,130
Total - All Agency Funds				
Assets - cash and cash equivalents	2,687,929	5,407,086	1,137,909	6,957,106
Liabilities:				
Accounts payable	121,987	868,906	917,817	73,076
Deposits held in escrow	2,565,942	4,538,180	220,092	6,884,030
Total liabilities	2,687,929	5,407,086	1,137,909	6,957,106



Statistical Section

CITY OF CHESTERFIELD, MISSOURI
Statistical Section
December 31, 2012

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

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 Position by Component
Last Ten Fiscal Years

Functions/Programs	December 31									
	<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>	<u>2012</u>
Governmental activities:										
Net Investment in Capital Assets	\$ 100,479,329	102,724,442	106,461,560	109,037,358	115,267,934	117,138,329	121,457,368	133,596,730	144,327,104	154,461,332
Restricted	30,772,578	30,719,989	31,608,907	34,529,805	23,417,047	19,381,550	16,484,474	14,721,706	2,877,831	3,673,588
Unrestricted	<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>14,206,458</u>	<u>13,361,355</u>	<u>20,900,703</u>	<u>19,525,138</u>
Total governmental activities net position	<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>152,148,300</u>	<u>161,679,791</u>	<u>168,105,638</u>	<u>177,660,058</u>

Source: Basic financial statements

2002 was the year GASB Statement 34 was implemented.

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

	For the years ended December 31									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES										
Primary Government										
Governmental activities:										
General government	\$ 2,596,258	2,732,076	2,820,464	2,828,371	3,012,569	3,104,859	3,239,574	3,219,111	3,073,393	3,323,238
Parks and recreation	1,759,887	1,819,602	1,200,554	3,279,634	3,631,874	4,114,605	4,529,859	4,735,969	5,282,317	6,667,066
Judicial	169,118	177,183	184,064	182,869	189,701	212,013	221,809	260,387	236,646	242,383
Planning	588,615	592,138	578,915	646,653	642,805	618,783	733,341	693,488	590,622	504,809
Developmental services	-	-	-	-	-	785,752	854,705	729,214	490,551	535,897
Public works	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	11,027,314
Public safety	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	8,468,966
Community development	179,090	139,090	65,848	153,130	493,543	244,572	246,792	209,657	151,522	181,407
Interest on long-term debt	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	2,809,885
Total primary government expenses	<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>	<u>33,760,965</u>
PROGRAM REVENUES										
Primary Government										
Governmental activities:										
Charges for services:										
General government	541,361	621,344	635,359	694,115	667,663	740,083	683,912	696,465	681,851	658,018
Parks and recreation	420,887	459,308	778,892	868,600	1,012,857	977,961	1,027,958	1,136,840	1,210,006	1,394,799
Judicial	809,258	833,990	852,979	942,244	997,433	1,212,561	1,317,384	1,275,826	1,223,280	1,296,878
Planning	20,850	27,332	24,219	34,853	38,137	23,412	25,119	24,455	39,377	33,541
Public works	314,534	391,134	63,105	108,644	106,480	30,634	139,747	62,828	154,180	414,247
Public safety	63,924	49,255	39,342	41,293	47,106	53,391	60,126	61,604	51,152	55,799
Community Development	-	-	-	-	-	-	-	-	9,310	4,623
Operating grants and contributions	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	4,671,981
Capital grants and contributions	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	8,114,634
Total primary government program revenues	<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>	<u>16,644,520</u>
Net Revenues (Expenses)										
Total primary government net expense	<u>(22,722,601)</u>	<u>#####</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>	<u>(17,116,445)</u>
General Revenues and Other Changes in Net Position										
Primary Government										
Governmental activities:										
Taxes:										
Property taxes	7,184,039	9,074,627	11,210,863	13,665,140	1,102,310	592,791	618,841	481,419	522,890	524,173
Sales taxes	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	17,427,057
Gross receipts tax (includes franchise tax)	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	7,930,276
Sewer lateral	549,249	465,261	420,758	600,668	588,441	567,228	555,847	560,418	551,252	559,184
Investment earnings	486,186	524,489	2,020,949	3,211,400	3,098,984	2,039,470	522,906	236,571	188,313	47,236
Miscellaneous	270,006	456,323	485,942	229,843	480,594	1,104,362	86,970	226,765	329,309	182,939
Total primary government	<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>25,584,565</u>	<u>26,100,332</u>	<u>26,670,865</u>
Changes in Net Position										
Total primary government	<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>9,541,505</u>	<u>6,425,855</u>	<u>9,554,420</u>

Table 3

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

	December 31									
	<u>2003</u>	<u>2004</u>	<u>2005 (1)(2)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (3)</u>	<u>2012</u>
General Fund:										
Nonspendable	\$ -	-	-	-	-	-	-	-	315,421	326,621
Restricted	-	-	-	-	-	-	-	-	304,737	125,150
Committed	-	-	-	-	-	-	-	-	1,502,468	712,719
Unassigned	-	-	-	-	-	-	-	-	11,945,289	12,947,803
Reserved	314,738	364,560	275,267	292,748	309,602	351,498	342,634	313,113	-	-
Unreserved	11,244,722	10,817,879	11,996,698	12,458,806	14,176,375	14,349,818	13,880,954	13,026,230	-	-
Total General Fund	<u>\$ 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>	<u>14,112,293</u>
All other governmental funds:										
Nonspendable	\$ -	-	-	-	-	-	-	-	6,700	1,850
Restricted	-	-	-	-	-	-	-	-	2,476,850	3,233,805
Committed	-	-	-	-	-	-	-	-	4,709,222	3,336,654
Assigned	-	-	-	-	-	-	-	-	2,547,444	2,604,527
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	\$ -	-	225	2,330	-	-	6,500	6,500	-	-
Unreserved, reported in:										
Special Revenue Funds	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	-	-	20,465,583	17,217,974	13,886,084	17,195,066	15,346,074	7,488,023	-	-
Debt Service Funds	9,751,696	8,388,403	24,695,143	28,515,584	19,653,766	11,695,484	1,615,780	1,289,731	-	-
Total all other governmental funds	<u>\$ 31,563,410</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>	<u>9,176,836</u>

Source: Basic financial statements.

- (1) In 2005, the City issued certificates of participation for parks. The proceeds were deposited in the Parks Construction Fund and the Capital Project Fund. This presented the substantial increase in unreserved fund balance for Capital Project Funds.
- (2) In 2005, the City crossover refunded the general obligation bonds for streets and sidewalks. The proceeds from bonds Series 2005 was presented as cash refunding escrow.
- (3) In 2011, GASB Statement No. 54 was implemented

Table 4

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

	For the years ended December 31									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Municipal taxes	\$ 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	25,530,789
Licenses and permits	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	1,446,273
Intergovernmental	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	5,940,145
Charges for services, net	557,289	593,756	908,601	1,057,308	1,208,166	1,084,311	1,145,326	1,228,675	1,306,008	1,583,455
Court fines and forfeitures	751,382	811,406	876,978	886,948	991,696	1,186,960	1,318,916	1,259,764	1,226,101	1,290,848
Investment income, net arbitrage	346,057	524,489	2,020,949	3,211,400	3,098,986	2,039,470	522,906	236,571	188,313	47,236
Miscellaneous	482,723	319,757	874,166	244,591	529,255	182,235	172,471	119,748	233,533	481,528
Total revenues	<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>	<u>36,320,274</u>
EXPENDITURES										
Government	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	3,080,829
Police services	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	7,878,348
Judicial	170,479	176,164	183,888	181,150	189,993	212,160	218,642	374,434	237,756	241,426
Planning and zoning	578,545	587,488	568,524	636,259	636,912	607,082	716,731	685,624	573,495	533,901
Developmental Services	-	-	-	-	-	769,796	834,007	732,396	489,578	510,065
Public works	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	5,636,416
Parks and recreation	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	4,026,900
Capital outlay	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	7,573,259
Debt service:										
Principal	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	4,645,000
Interest and fiscal charges	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	2,851,471
Cost of issuance	-	344,757	671,131	-	-	211,034.00	308,915	-	-	-
Total expenditures	<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>	<u>36,977,615</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>(657,341)</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from borrowing	2,629,417	18,540,298	44,384,395	299,688	-	9,999,935	10,316,188	-	-	-
Sale of capital assets	109,584	65,975	111,535	160,230	156,115	182,665	276,092	189,558	142,264	138,339
Payments to escrow agent	-	(16,495,000)	-	-	-	(5,245,000)	-	-	-	-
Transfers in	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	7,997,230
Transfers out	(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)	(7,997,230)
Total other financing source (uses)	<u>2,739,001</u>	<u>2,111,273</u>	<u>44,495,930</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>	<u>138,339</u>
Net change in fund balances	<u>\$ (1,062,172)</u>	<u>(1,058,855)</u>	<u>37,034,229</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>	<u>(519,002)</u>
Debt Service as a percentage of noncapital expenditures	38.77%	42.19%	45.07%	48.26%	60.92%	33.88%	43.88%	24.83%	25.64%	25.49%

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

Table 5

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

Fiscal Year	Real Property			Personal Property	Railroad and Utilities	Total Taxable Assessed Total	Total Direct Tax Rate	Estimated Actual Value
	Residential Property	Commercial Property	Agricultural Property					
2003	\$ 813,951	\$ 296,483.00	\$ 1,657.00	\$ 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	1,893,285	0.06	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	15,180	1,781,943	0.03	7,840,981
2012	1,080,291	457,997	496	223,212	17,652	1,779,648	0.03	7,846,585

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

- (2) Assessments are based on a percentage of estimated actual values. Real property is classified as residential, agricultural, or commercial. Residential property is assessed at 19%, agricultural is assessed at 12%, and commercial is assessed at 32%. All railroad and utility property is assessed at 32%. All personal property is assessed at 33 1/3%. Real property is reassessed biannually in odd-numbered years.
- (3) The City was incorporated on June 1, 1988. No property tax was levied by the City until 1995 when the voters approved an \$11 million general obligation bond issue for parks. The entire levy funds debt service.
- (4) The City participates in the county-wide sales tax sharing pool, therefore, sales tax is not the City's own source revenue.

Table 6

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

	<u>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>	<u>2012</u>
Taxes levied on all property in the City:										
City of Chesterfield	0.060	0.060	0.060	0.060	0.060	0.030	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	0.558	0.558	0.558	0.558	0.523	0.523	0.523	0.523
Special School District	0.864	0.905	0.840	0.824	0.908	0.918	0.938	0.995	1.013	1.012
St. Louis Community College	0.231	0.237	0.223	0.223	0.200	0.201	0.214	0.218	0.220	0.220
St. Louis County Library	0.140	0.150	0.150	0.150	0.150	0.150	0.140	0.157	0.163	0.173
Metropolitan St. Louis Sewer District (Extension)	0.019	0.019	0.019	0.019	0.014	-	-	0.018	0.019	0.019
Metropolitan Zoological Park and Museum District	0.226	0.276	0.265	0.261	0.233	0.234	0.249	0.255	0.267	0.268
Sheltered Workshop	0.085	0.085	0.082	0.085	0.085	0.090	0.074	0.079	0.084	0.084
Total	<u>2.235</u>	<u>2.342</u>	<u>2.227</u>	<u>2.210</u>	<u>2.238</u>	<u>2.212</u>	<u>2.198</u>	<u>2.305</u>	<u>2.349</u>	<u>2.359</u>
School districts (2):										
Parkway	3.511	3.692	3.709	3.641	3.733	3.900	3.410	3.567	3.676	3.936
Rockwood	4.439	4.633	4.507	4.418	3.999	3.923	4.008	4.275	4.463	4.536
Fire protection districts (3):										
Metro West	0.997	1.098	1.028	1.091	1.001	1.060	0.977	1.012	1.030	1.029
Monarch	0.979	1.067	1.061	1.060	0.988	1.059	0.826	0.865	0.842	0.829

- 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	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
THF Chesterfield	\$ 48,637	1	2.73%	\$ 23,662	2	1.74%
Monsanto Company	36,035	2	2.02%	-		-
Chesterfield Mall	28,802	3	1.62%	-		-
FSP Timberlake Corp.	13,943	4	0.78%	14,561	4	1.07%
Baxter Crossing Apartments Associates	7,768	5	0.44%	6,923	8	0.51%
St. Lukes Episcopalian Presbyterian Hospital	7,706	6	0.43%	7,472	6	0.55%
Chapter 100 St. Louis County	7,416	7	0.42%	-		-
G&E Healthcare REIT Chesterfield Rehab H	7,161	8	0.40%	-		-
NNN One Chesterfield Place LLC	6,837	9	0.38%	-		-
DPH Chesterfield LLC	6,253	10	0.35%	-		-
Pfizer	-		-	33,935	1	2.50%
WEA Chesterfield LLC	-		-	17,229	3	1.27%
Ameren UE	-		-	11,096	5	0.82%
Realty Associates	-		-	7,248	7	0.53%
Chesterfield Ridge Center	-		-	5,712	9	0.42%
Missouri American Water	-		-	4,336	10	0.32%
Total	<u>\$ 170,558</u>		<u>9.58%</u>	<u>\$ 132,174</u>		<u>9.72%</u>

Source: St. Louis County Department of Collection

Table 8

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

Fiscal Year Ended December 31	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 8,169	\$ 7,740	94.7	\$ 413	\$ 8,153	99.8
2004	9,160	8,657	94.5	434	9,091	99.2
2005	12,158	8,786	72.3	2,964	11,750	96.6
2006	13,365	13,083	98.5	85	13,168	98.5
2007	1,042	909	87.2	88	997	95.7
2008 (1)	583	510	87.5	54	564	96.7
2009 (2)	566	478	84.5	78	556	98.2
2010	563	482	85.6	66	548	97.3
2011	534	466	87.3	58	524	98.1
2012	534	470	88.0	-	470	88.0

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.

Table 9

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

Fiscal Year	City Direct Rate	St. Louis County	State of Missouri	Direct and Overlapping	Sales Tax Revenues	Taxable Sales (1)
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
2012	1.00%	2.700%	4.225%	7.925%	11,301	1,234,141

(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	Lease Revenue Bonds (3)	Less - Reserve for Debt Service			
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	(10,152)	67,918	2.93%	1,451
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
2012	14,840	-	-	46,550	-	61,390	2.50%	1,293

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

Table 11

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

Fiscal Year	General Bonded Debt Outstanding					Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Redevelopment Bonds	Total General Bonded Debt	Resources Restricted to Repaying the General Bonded Debt	Net Bonded Debt		
2003	\$ 31,365	\$ 45,020	\$ 76,385	\$ (1,416)	\$ 74,969	5.52%	\$ 1,602
2004	29,840	38,885	68,725	(1,374)	67,351	4.89%	1,439
2005	46,010	35,995	82,005	(1,075)	80,930	5.23%	1,729
2006	44,350	16,650	61,000	(1,059)	59,941	3.76%	1,281
2007	34,990	-	34,990	(1,508)	33,482	1.77%	715
2008	33,190	-	33,190	(1,537)	31,653	1.67%	676
2009	21,445	-	21,445	(1,552)	19,893	1.05%	425
2010	19,325	-	19,325	(1,059)	18,266	0.97%	385
2011	17,110	-	17,110	(704)	16,406	0.92%	346
2012	14,840	-	14,840	(343)	14,497	0.81%	305

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

CITY OF CHESTERFIELD, MISSOURI
Direct and Overlapping Governmental Activities Debt
As of December 31, 2012
(dollars in thousands)

Table 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
St. Louis County	\$ 63,340	7.05 %	\$ 4,465
Parkway School District (1)	155,497	24.58	38,221
Rockwood School District (1)	223,015	27.16	60,571
Monarch Fire Protection District (1)	1,269	73.47	932
Metro-West Fire Protection District (1)	5,445	72.90	3,969
Subtotal, overlapping debt			<u>108,159</u>
City direct debt	14,840	100.00	<u>14,840</u>
Total direct and overlapping debt			<u><u>\$ 122,999</u></u>

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

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

Table 13

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

	December 31									
	<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>	<u>2012</u>
Debt limit	135,929	137,792	154,831	159,710	189,328	194,478	188,626	187,613	178,194	187,613
Total net debt applicable to limit	<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>	<u>14,840</u>
Legal debt margin	<u><u>105,980</u></u>	<u><u>109,326</u></u>	<u><u>109,896</u></u>	<u><u>116,419</u></u>	<u><u>155,615</u></u>	<u><u>161,288</u></u>	<u><u>167,181</u></u>	<u><u>168,288</u></u>	<u><u>161,084</u></u>	<u><u>172,773</u></u>
 Total net debt applicable to the limit as a percentage of debt limit	 22.03	 20.66	 29.02	 27.11	 17.81	 17.07	 11.37	 10.30	 9.60	 7.91

Legal debt margin calculation for fiscal year 2012:

Assessed value	<u>\$ 1,779,648</u>
Debt limit (10% of assessed value)	<u>\$ 177,965</u>
Debt applicable to limit	<u>14,840</u>
Legal debt margin	<u><u>\$ 163,125</u></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	
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	3,515,333	2,233,436	1,355,000	1,334,471	0.83
2010	-	-	-	-	-	-	-	5,697,406	3,730,984	1,966,422	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
2012	-	-	-	-	-	-	-	6,108,998	4,853,540	1,255,458	1,330,000	1,623,539	0.43

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.

Table 15

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	49,727	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
2012	47,484	2,456,110	51,725	17,456	21,951	3.9

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

School enrollment information provided by Parkway and Rockwood School Districts.

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

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

Table 16

CITY OF CHESTERFIELD, MISSOURI
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2012</u>			<u>2003</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 %	-	-	- %
Parkway School District	1,192	2	3.31	-	-	-
Delmar Gardens Enterprises	1,006	3	2.79	-	-	-
Monsanto Company	683	4	1.90	-	-	-
Reinsurance Group of America Inc.	678	5	1.88	-	-	-
Amdocs, Inc.	550	6	1.53	-	-	-
Dierbergs	474	7	1.32	-	-	-
McBride & Sons Management Co.	400	8	1.11	*n/a	3	*n/a
Pfizer	379	9	1.05	*n/a	1	*n/a
St. John's Mercy Rehab Hospital	375	10	1.04	-	-	-
Premium Retail Services, Inc.	-	-	-	*n/a	2	*n/a
Taylor-Morley, Inc.	-	-	-	*n/a	4	*n/a
Famous-Barr	-	-	-	*n/a	5	*n/a
Doubletree Hotel & Conference Ctr.	-	-	-	*n/a	6	*n/a
Rose International	-	-	-	*n/a	7	*n/a
Mark Andy, Inc.	-	-	-	*n/a	8	*n/a
Dillard's	-	-	-	*n/a	9	*n/a
West County YMCA	-	-	-	*n/a	10	*n/a
Total	<u>9,184</u>		<u>25.53 %</u>	<u>-</u>		<u>*n/a %</u>

Source: Business License database from Finance Division

*Employment information for 2003 is not available..

Table 17

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

Functions/Programs	Full-time Equivalent Employees as of December 31									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government:										
Elected officials	9	9	9	9	9	9	9	9	9	9
City Administrator	2	2	2	2	2	2	2	2	2	2
Community development	-	-	2	2	1	-	-	-	-	-
Customer service	4	4	5	5	3	4	4	3	3	3
Finance	6	6	6	7	7	7	7	6	6	6
Information systems	4	3	3	3	3	3	3	4	3	3
Court	3	3	3	3	3	3	3	3	3	3
Economic Development	-	-	-	-	-	2.5	2.5	1	1	1
Planning	10	11	9	12	11	11	11	8.5	8.5	8.5
Police:										
Officers	86	80	79	83	86	89	89	84	84	84
Civilians	10	10	9	9	10	9	9	8	8	8
Public works:										
Engineering	16	16	15	16	17	21.5	21.5	15.5	15.5	15.5
Street maintenance	36	31	27	31	30	31	31	29	29	29
Vehicle maintenance	5	5	5	5	5	5	5	5	5	5
Building maintenance	6	6	6	6	6	7	7	6	6	6
Parks and recreation	12	18	22	24	26	30	30	33	33	37
Total	<u>209</u>	<u>204</u>	<u>202</u>	<u>217</u>	<u>219</u>	<u>234</u>	<u>234</u>	<u>217</u>	<u>216</u>	<u>220</u>

Source: Payroll Report, Finance Department

Table 18

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

Functions/Programs	2002	2003	2004	2005	2006	Fiscal Year 2007	2008	2009	2010	2011	2012
Police:											
Adult arrests	1,258	1,268	1,071	1,146	994	1,099	1,132	1,679	1,649	1,753	1,665
Juvenile arrests	418	378	277	343	262	281	392	236	262	218	165
Parking violations	449	429	475	420	487	374	423	462	381	278	381
Traffic violations	9,935	8,409	8,499	9,104	9,491	9,183	12,235	12,087	12,677	11,628	11,565
Public works:											
Street work orders completed	49	79	106	526	47	94	2,548	2,321	2,507	2,543	2,161
Sidewalk work orders completed	160	471	418	145	224	516	436	219	110	97	92
Tree trimming work orders completed	428	584	724	647	714	840	1,063	867	865	786	475
Storm sewer repairs	91	64	58	34	33	42	55	48	60	25	23
Sewer lateral repairs	88	84	65	63	73	100	95	78	85	88	116
Handicap accessible sidewalk ramps installed	10	44	21	15	23	18	21	52	-	16	52
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	17,785
Aquatic Center admissions	40,551	29,275	28,977	38,439	40,834	56,499	52,588	44,693	52,845	55,487	52,001
Planning:											
Zoning approvals for construction	1,277	1,609	1,392	1,471	1,223	1,192	965	1,118	933	23	16
Building permits for new construction	867	1,024	985	981	779	157	51	74	86	68	98
Building permits for alterations/additions	3,163	4,093	4,176	4,416	4,491	4,824	4,173	3,714	3,834	298	385
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	2,124
Vending licenses issued	931	901	978	1,005	953	773	804	846	820	789	711
Liquor licenses issued	95	212	237	117	125	262	159	140	135	141	139
Solicitor licenses issued	36	37	32	26	30	70	40	51	51	53	54

Sources: City of Chesterfield Annual Reports (2003-2012), City of Chesterfield Annual Budgets (2003-2012), various City departments

Table 19

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

Functions/Programs	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	27	30	30	30	32	35	36	36	36	30
Public works:										
Streets (miles)	161	161	161	163	167	167	167	167	167	185
Streetlights	10	10	10	10	184	184	184	184	184	230
Parks and recreation:										
Acreage	200	200	254	293	293	295	352	352	352	352
Playgrounds	3	3	3	3	3	3	2	2	2	2
Baseball/softball diamonds	24	24	25	27	27	27	29	29	29	29
Soccer fields	7	7	9	9	9	9	9	9	9	9
Football fields	-	-	2	7	7	7	7	7	7	7
Multi-purpose fields	-	-	-	2	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.

