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Comprehensive Annual Financial Report, 2003

City of Bridgeton

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003



City of Bridgeton 11955 Natural Bridge Road, Bridgeton, Missouri 63044

***CITY OF BRIDGETON, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

For The Fiscal Year Ended December 31, 2003

*Report prepared and submitted by the
Department Of Finance*

*Dennis J. Rainey
Finance Officer*

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City of Bridgeton



Conrad W. Bowers Mayor

June 28, 2004

To the Honorable Mayor and Members
of the City Council
City of Bridgeton, Missouri

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of City of Bridgeton, Missouri, for the year ended December 31, 2003 is submitted herewith. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Management believes that the data, as presented, is accurate in all material respects; and it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

This report has been prepared following the guidelines recommended by the Government Finance Officers' Association of the United States and Canada. The Government Finance Officers' Association awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose annual financial reports are judged to conform substantially with high standards of public financial reporting including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. This year's CAFR is the first year that the City has presented its financial statements under the new reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The format and the purpose of these changes are addressed in the Management's Discussion and Analysis (MD&A), which can be found immediately following the independent auditors' report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

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

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

To the Honorable Mayor and Members
of City Council of
City of Bridgeton, Missouri

Profile of Government

This report includes all of the funds, agencies, boards, commissions and authorities that are controlled by or are dependent on the executive or legislative branches of the City, as more fully described in Note 1 to the financial statements.

The City provides the full range of municipal services authorized by its charter. This includes public safety (police), highways and streets, sanitation, culture and recreation, public improvements, planning and zoning and general administrative services. Residents of the City receive the full range of municipal utilities, telecommunications, and cable services provided by the local service companies.

The City of Bridgeton, Missouri was originally platted in 1794 and is one of the oldest communities in the state. The City holds the oldest continuous state charter, which was granted in 1843. The population for the City in 2000 was 15,550. The City is located in St. Louis County, Missouri, immediately to the west of Lambert-St. Louis International Airport. The City's boundaries encompass approximately 17 square miles. The City is centered on three interstate highways: Interstate 70, Interstate 270 and Highway 370. This network of highways provides the City convenient access to the entire St. Louis Metropolitan Area.

The affairs of the City's government are under the direction of the Mayor and eight Council members, with two members being elected from each of the City's four wards. Each Council member is elected for a term of two years and serves until his or her successor is elected. One Council member from each ward is elected every April. The Mayor is elected at-large by the voters of the City. The day-to-day affairs of the City government are under the direction of the Administrative Assistant to the Mayor. The City Clerk is appointed by the Mayor, subject to approval of the Council.

The City has approximately 139 full-time employees and approximately 200 part-time and seasonal employees. The City has no record of any material work stoppages or labor disputes. The major part of the City is served by the Pattonville and Hazelwood School Districts. Both Districts have been granted "accredited" status by the Missouri Department of Elementary and Secondary Education. SSM DePaul Health Center is located within the City and is a full-service, 577-bed institution.

Major Initiatives

The construction of the Avery Lane Improvement Project was completed in the fall of 2003. The Srniley Road Improvement Project consists of the total reconstruction of Smiley Road from Old St. Charles Road to Terry Avenue. Land acquisition was completed in 2003 and relocation of utilities and construction will begin in the fall of 2004. Land and easement acquisition for the Taussig Road Improvement Project was completed in 2003 and is currently in the utility relocation process. Other Capital Improvement Projects in process include the Domenico Court Stormwater Project, Old St. Charles Road Outfall, Brookington Drive Channel Bank, and Oak Hill Tributary Grade Control.

To the Honorable Mayor and Members
of City Council of
City of Bridgeton, Missouri

During the past year, the City of Bridgeton has seen the development of several major commercial sites and structures. The Bridgeton Municipal Athletic Complex Phase 2 & 3 and The Bridgeton Family Swim Center are the most recent projects that are under construction. Other developments approved by City Council in 2003 include approval of the Pentrex PUD on Old St. Charles Road, the St. Louis Mills commercial subdivision, and the development of a trash transfer station on St. Charles Rock Road.

Other improvements made during 2003 include the construction of an elevator and skylight for the community center, and a gazebo shelter at Payne-Gentry House. The BMAC expansion project is continuing as scheduled and will eventually become one of the premier sports complexes in the area. The City also hopes to replace lost parkland due to airport expansion with comparable facilities.

Accounting System And Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City's budgetary process is discussed in the notes to budgetary comparison information.

Economic Condition And Outlook

The economic base of the City of Bridgeton is anchored in retail outlets, manufacturing establishments, office/warehouse outlets, hotels and restaurants that, by their location near the Lambert-St. Louis International Airport and on a key junction in the metropolitan interstate system (I-70 and I-270), find an advantage to their businesses. Hussmann Refrigeration, Western Union, Rockwell International, Trane, Hunter Engineering, Dobbs International, Midwest Medical Supply, DIMAC, Ralston Purina and National Vendors are just a few of the companies having important facilities in Bridgeton. Schnucks Markets Warehouse and Bakery and DePaul Community Health Center serve the metropolitan area and beyond from their Bridgeton location. Well over two thousand motel rooms, ten large retailers and hundreds of convenience and service outlets have made the community the eleventh largest sales tax generator in the State of Missouri. Our strong tax base anchored in sales tax has allowed Bridgeton to deliver high quality city services.

To the Honorable Mayor and Members
of City Council of
City of Bridgeton, Missouri

As we look to the future, Bridgeton has made a strong commitment to having a more diverse tax base by attracting new industrial and manufacturing businesses to the City. At the present time, the City has a large amount of land that is presently zoned industrial and manufacturing. It is felt that by starting now to diversify the tax base the City can guarantee its financial health for many years to come.

Pension Benefits

The City's pension fund is managed through the City's Finance Commission, a five-member group of lay citizens. The City contracts annually with a professional actuarial firm for purposes of obtaining the annual funding requirements and to monitor its soundness. Investment activities are contracted with and handled by the Aetna Life Insurance Company.

Cash Management

Cash temporarily idle during the year was invested in Federal Bank discount notes ranging in time from 90 days to 3 years to maturity and in a commercial repurchase sweep money market account for shorter periods of time from overnight to several days maturity. Interest earned in the general fund includes \$244,574 on U.S. Treasury notes and \$27,148 on the repurchase sweep money market account.

Proprietary Fund Operations

The government's proprietary operations consist of the Internal Service Fund Type, which is used to account for the goods and services provided by the Central Garage to other City departments.

The net operating loss for the Central Garage was \$21,874 in 2003. This loss is due primarily to the recording of unbudgeted depreciation expense under GASB 34

The Net Assets balance for the Proprietary Fund Type as of December 31, 2003 was \$307,412.

Risk Management

The City is a member of two self-insured pools comprised of twenty-one municipalities in St. Louis County. The pools cover workers' compensation, general liability, police liability, and automobile liability. The pools have contracted with the firm of Daniel and Henry Company for its administration and consulting services. The pools reinsure certain losses with the General Reinsurance Company and the Illinois Insurance Exchange.

The City purchases insurance coverage for the protection against loss of its building and contents as well as inland marine and public officials liability insurance.

Independent Audit

The City Charter (Section 2.05k) requires an annual audit by independent certified public accountants. This requirement has been complied with and the auditors' report has been included in the financial section of this report.

To the Honorable Mayor and Members
of City Council of
City of Bridgeton, Missouri

Certificate Of Achievement

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports satisfy both generally accepted accounting principles and applicable legal requirements.

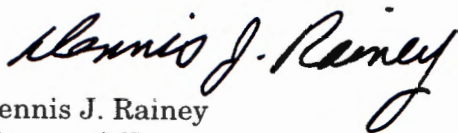
The GFOA Certificate of Achievement review process is not an audit, nor does it take the place of an audit. In fact, in order to be eligible for a Certificate of Achievement, a governmental unit must have subjected the financial statements of all of its funds and account groups to an independent audit performed in accordance with generally accepted auditing standards. The Certificate of Achievement review process is limited to an analysis of the contents of the annual financial report itself. It does not embody an evaluation of the governmental unit's system of internal accounting controls, nor does it include the performance of any auditing procedures or tests of the underlying accounting records.

A Certificate of Achievement is valid for a period of one year. We believe our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

Acknowledgments

I would like to thank the Mayor and members of City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,



Dennis J. Rainey
Finance Officer

CITY OF BRIDGETON, MISSOURI

CITY OFFICERS

Mayor Conrad Bowers

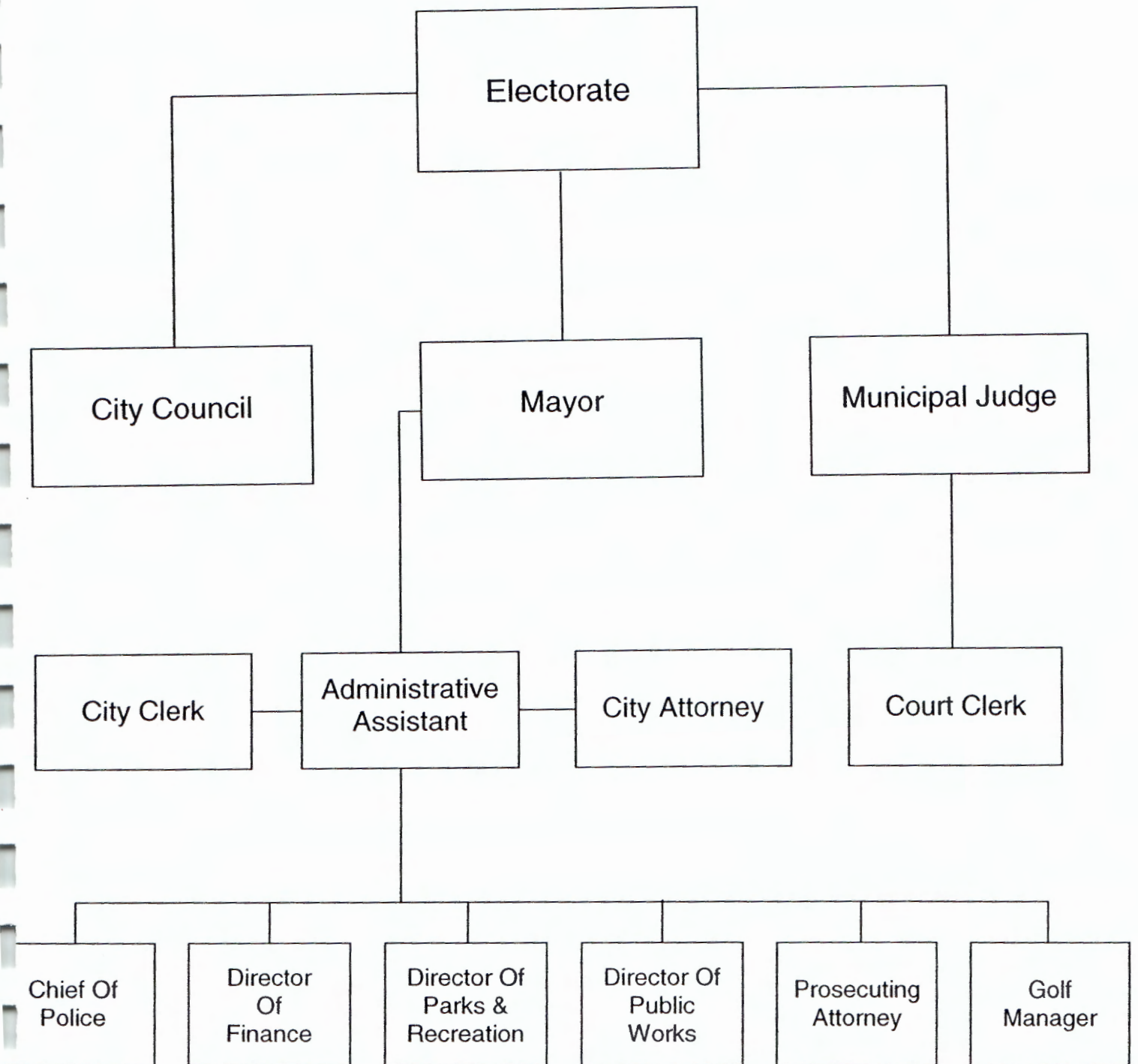
Council:

..... Linda Eaker
..... Vincent LoBosco
..... Mary Lorenzen
..... Tom Fehrenbacher
..... Andrew Kasprzyk
..... Christine Waitman
..... Terry Borton
..... Barbara Abram

Administrative Assistant Thomas J. Haun

CITY OF BRIDGETON, MISSOURI

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bridgeton,
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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

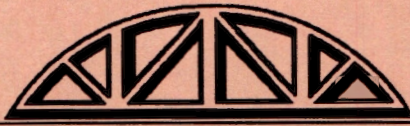


A handwritten signature in cursive script, reading "Edward Haney".

President

A handwritten signature in cursive script, reading "Jeffrey R. Emer".

Executive Director



Financial Section

Rubin, Brown, Gornstein & Co. LLP
Certified Public Accountants
& Business Consultants

One North Brentwood
St. Louis, MO 63105

T 314.290.3300
F 314.290.3400

www.rbg.com
rbg@rbg.com

Independent Auditors' Report

The Honorable Mayor and Members
of the City Council
City of Bridgeton, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Bridgeton, Missouri, as of and for the year ended December 31, 2003, which collectively comprise the City of Bridgeton, Missouri's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Bridgeton, Missouri's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City of Bridgeton, Missouri, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, during 2003, City of Bridgeton, Missouri, adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosure*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

The Honorable Mayor and Members
of the City Council
City of Bridgeton, Missouri

The Management's Discussion and Analysis on pages 3 through 11 and the Budgetary Comparison Information on pages 39 through 41, and the Pension Schedules on page 42 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bridgeton, Missouri's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules - supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Rubin, Brown, Gornstein & Co. LLP

April 30, 2004

Management's Discussion And Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Bridgeton, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-7 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$13,839,798 (*net assets*). Of this amount, \$10,115,120 is restricted for capital projects and debt service obligations.
- The City's total net assets increased by \$1,811,297, or 15%. This increase is attributable to the increase in capital outlays exceeding depreciation.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,979,227, a decrease of \$1,779,207 in comparison with the prior year. This decrease was a budgeted deficit taken from fund balance due to an anticipated excess of expenditures over revenues.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$889,239, or 6% of total general fund expenditures.
- The City's total debt decreased by \$510,000 (5%) during the current fiscal year. The key factor in this decrease was the principal payment on the 1993 infrastructure facilities revenue bonds.

Overview of Financial Statements

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

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.

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

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

The government-wide financial statements reflect functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the City include general government, public safety, public works, and culture and recreation. There are no business-type activities.

The government-wide financial statements can be found on pages 12-13 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial 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 financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and capital improvement sales tax funds, which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary funds. The City maintains one type of proprietary fund, an internal service fund. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its fleet of vehicles through the Central Garage function. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Central Garage operation.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement 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 basic fiduciary fund financial statements can be found on pages 21-22 of this report.

Notes to the 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 financial statements can be found on pages 23-38 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison information. Required supplementary information can be found on pages 39 - 42 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and the internal service fund are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 43-48 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$13,839,798 at the close of the most recent fiscal year.

By far the largest portion of the City of Bridgeton's net assets (87%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

With the first year implementation of Governmental Accounting Standards Board Statement 34, the City is not presenting comparable columns in the various comparisons and analyses for the previous year. Comparative information will be provided in future years.

	<u>Governmental Activities</u>
Current and other assets	\$ 13,123,398
Capital assets	<u>13,974,312</u>
Total assets	<u>27,097,710</u>
Long-term liabilities outstanding	11,269,201
Other liabilities	<u>1,988,711</u>
Total liabilities	<u>13,257,912</u>
Net assets:	
Invested in capital assets, net of related debt	12,019,312
Restricted	10,115,120
Unrestricted	<u>(8,294,634)</u>
Total net assets	<u>\$ 13,839,798</u>

An additional portion of the City's net assets (73%) represents resources that are subject to external restrictions on how they may be used. The negative balance of unrestricted net assets is primarily due to an \$8.8 million TIF related debt, which is not offset on the statements by any related capital assets.

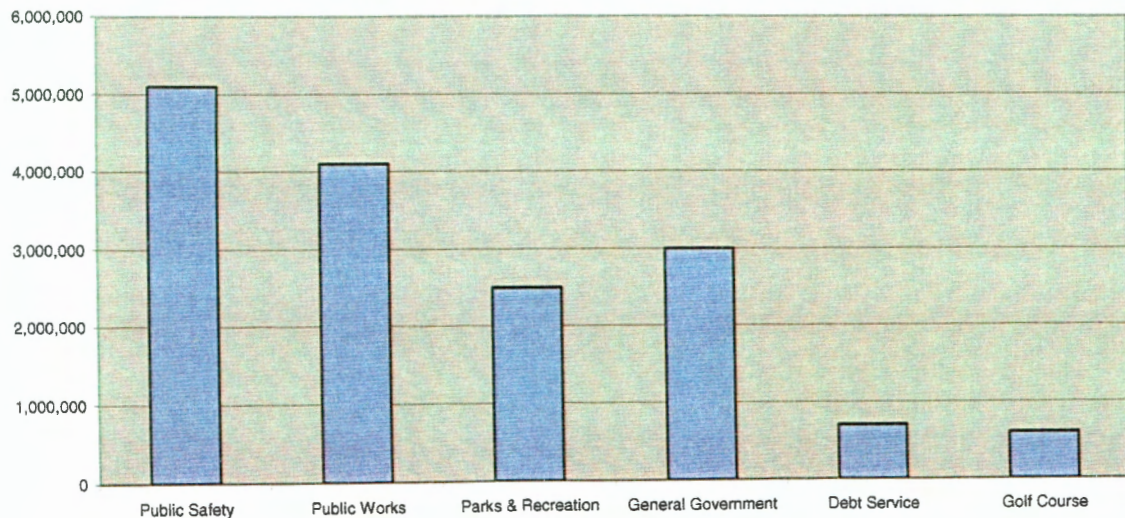
At the end of the current fiscal year, the City is able to report positive balances of net assets, both for the government as a whole, as well as for its individual governmental funds. The same situation held true for the prior fiscal year.

The City's net assets increased by \$1,811,297 during the current fiscal year, primarily due to the increase in capital outlays exceeding depreciation.

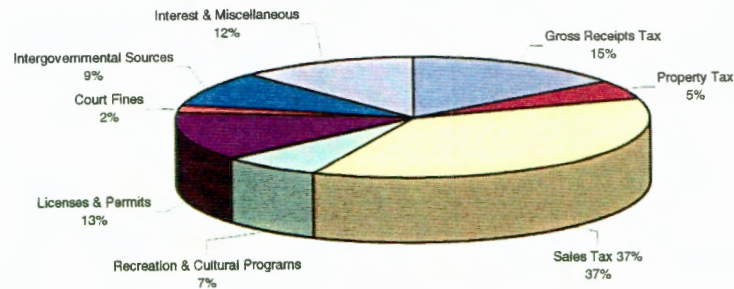
	Governmental Activities
Revenues:	
Program Revenues	
Charges for services	\$ 1,057,946
Operating grants and contributions	75,057
Capital grants and contributions	—
General Revenues	
Property taxes	793,282
Sales taxes	9,143,963
Franchise and public service taxes	3,901,294
Other	2,289,211
Total revenues	<u>17,260,753</u>
Expenses:	
General government	2,145,996
Public safety	5,086,525
Public works	4,138,285
Culture and recreation	3,343,630
Interest on long-term debt	735,020
Total expenses	<u>15,449,456</u>
Increase in net assets	1,811,297
Net assets - Beginning of year	<u>12,028,501</u>
Net assets - End of year	<u>\$ 13,839,798</u>

- Property taxes increased by \$108,907 (19.5%) during the year. Most of this increase is the result of increasing the commercial property tax rate from \$0.16 to \$0.233 per \$100 of assessed valuation.
- Operating grants for governmental activities increased by \$14,934 mostly as a result the addition of the School Resource Officer program undertaken by the City during the current fiscal year. The new grant awards furnished resources to support the City's public safety function.

Expenses - Governmental Activities



Revenues by Source – Governmental Activities



For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. General wage and service cost increases contributed mostly to the 2.4% increase in expenses. In addition, the City experienced increases in 2003 for health insurance premiums, property and liability insurance, legal fees, and property acquisition for the possible relocation of City Hall.

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 near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,979,227, a decrease of \$1,779,207 in comparison with the prior year. Approximately 10% of this total amount constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$1,576,284), 2) to pay debt service (\$735,052), 3) for capital improvements (\$7,870,614).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$889,239, while total fund balance reached \$1,179,056. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6 percent of total general fund expenditures, while total fund balance represents 8 percent of that same amount.

The fund balance of the City's general fund decreased by \$2,113,629 during the current fiscal year. Key factors in this decline are as follows:

- A 2.2% decrease in sales tax revenues due to the sagging national economy during most of 2003. The impact of internet sales is also a factor in uncaptured sales tax.

- Hotel/Motel taxes declined \$46,934, or 10.7% in 2003. This is due to the decline in travel since September 11, 2001 and the loss of American Airlines as a major hub at Lambert St. Louis International Airport.
- License and permit revenues declined as did court fines. Again, the sagging economy during the year and loss of population from the airport expansion home buyouts contributed to these declines. Also, legal fees, insurance costs and various other expenditure items increased in 2003, contributing to this fund balance decrease.

The debt service fund has a total fund balance of \$500,142, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was minimal (\$1,526).

Proprietary funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Internal Service Fund at the end of the year amounted to \$307,412. The total decrease in net assets for the fund was \$21,874, primarily due to the increase in depreciation expense in 2003.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget represented a \$573,000 increase in appropriations and can be briefly summarized as follows:

- \$70,000 in miscellaneous increases in general government activities
- \$158,000 in increases in legal services related to airport expansion.
- \$345,000 in increases allocated to corporate insurance and property acquisition.

Of this increase, \$258,000 was funded from a resolution transferring funds from the Industrial Development Authority of the City to the general fund of the City. The remaining \$315,000 was to be budgeted from available fund balance.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental activities as of December 31, 2003, amounts to \$13,974,312 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and park facilities. The total increase in the City's investment in capital assets for the current fiscal year was 27%.

Major capital asset events during the current year included the following:

- Construction began on the new Aquatic Center and work continued on the Bridgeton Municipal Athletic Complex for the park and recreation function.
- A variety of street construction and stormwater control projects began for the public works function; construction in progress as of the end of the current fiscal year had reached \$2,661,508.

- Various machinery and equipment assets were added to the general fund, namely vehicles and trucks for the public safety, public works, and culture and recreation functions.

	Capital Assets (net of depreciation) Governmental Activities
Land	\$ 322,078
Buildings	6,720,834
Improvements other than buildings	1,306,221
Machinery and equipment	2,163,010
Infrastructure	800,661
Construction in progress	<u>2,661,508</u>
Total	<u><u>\$ 13,974,312</u></u>

Additional information on the City's capital assets can be found in Note 4 on pages 32 - 33 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$1,955,000 (Missouri Development Finance Board infrastructure revenue bonds). The remainder of the City's debt represents notes secured solely by specified revenue sources (tax increment revenue notes).

	Outstanding Debt General Obligation and Revenue Notes Governmental Activities
Note payable	\$ 1,955,000
Tax increment revenue notes	<u>8,879,766</u>
Total	<u><u>\$ 10,834,766</u></u>

The City's total debt decreased by \$510,000 (5%) during the current fiscal year. The key factor in this decrease was the principal payment on the 1993 infrastructure facilities revenue bonds (note payable).

In February, 2004, the government refinanced this debt to take advantage of favorable interest rates.

The City maintains an "A" rating from Moody's Investment Service Incorporated for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$43,216,793, which is total legal debt margin, since the City of Bridgeton has no outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note 5 on pages 33 - 34 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City is currently 3.2%, which is an increase from a rate of 2.6 percent a year ago. This compares favorably to the state's average unemployment rate of 5.5 percent and the national average rate of 5.8 percent.
- The median value of owner-occupied housing in the City is \$114,400. This compares favorably to the state's average of \$89,900. The per capita income in the City is \$23,955. This compares favorably to the state's average of \$19,936 and the national average of \$21,587.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2004 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund decreased by \$1,997,457. The City of Bridgeton has appropriated an increase of \$1,361,550 to the general fund unreserved fund balance for the 2004 fiscal year budget. The City has no restrictions, commitments, or other limitations that significantly affect the availability of fund resources for future use.

As described in Note 11 to the basic financial statements, the expansion of St. Louis-Lambert International Airport into the City limits of the City of Bridgeton has and will continue to have a negative effect on the City's tax base.

Requests for Information

This financial report is designed to provide a general overview of the City of Bridgeton, Missouri'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, 11955 Natural Bridge Road, Bridgeton, MO 63044.

Basic Financial Statements

CITY OF BRIDGETON, MISSOURI

STATEMENT OF NET ASSETS December 31, 2003

	<u>Governmental Activities</u>
Assets	
Cash and short-term investments	\$ 10,473,749
Receivables (net):	
Taxes	2,330,032
Interest	104,243
Inventories	87,202
Long-term receivables	128,172
Capital assets:	
Non depreciable	2,983,586
Depreciable, net	10,990,726
Total Assets	27,097,710
Liabilities	
Accounts payable	191,341
Other accrued liabilities	1,797,370
Long-term liabilities:	
Due within one year	535,000
Due in more than one year	10,734,201
Total Liabilities	13,257,912
Net Assets	
Invested in capital assets, net of related debt	12,019,312
Restricted for:	
Capital projects	9,380,068
Debt service	735,052
Unrestricted	(8,294,634)
Total Net Assets	\$ 13,839,798

CITY OF BRIDGETON, MISSOURI

**STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2003**

Functions	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Governmental Activities					
General government	\$ 2,145,996	\$ —	\$ —	\$ —	\$ (2,145,996)
Police	5,086,525	—	75,057	—	(5,011,468)
Public works	4,138,285	91,720	—	—	(4,046,565)
Culture and recreation	3,343,630	966,226	—	—	(2,377,404)
Interest on long-term debt	735,020	—	—	—	(735,020)
Total Government	\$ 15,449,456	\$ 1,057,946	\$ 75,057	\$ —	\$ (14,316,453)

General Revenues:

Property taxes levied for:	
General purposes	\$ 793,282
Sales tax levied for:	
General purposes	5,104,500
Park and stormwater purposes	3,396,647
Tax increment financing districts	642,816
Franchise and public service taxes	3,901,294
Earnings on investments	271,722
Gain on sale of capital assets	68,393
Other revenues	1,949,096
Total General Revenues	16,127,750
Change in net assets	1,811,297
Net Assets - Beginning Of Year	12,028,501
Net Assets - End Of Year	\$ 13,839,798

CITY OF BRIDGETON, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2003

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Capital Improvement Sales Tax	Other Governmental Funds	
Assets				
Cash and investments	\$ 892,535	\$ 9,081,072	\$ 500,142	\$ 10,473,749
Receivables:				
Taxes	1,976,576	311,100	42,356	2,330,032
Interest	104,243	—	—	104,243
Due from other funds	134,318	—	—	134,318
Inventories	41,175	—	—	41,175
Total Assets	\$ 3,148,847	\$ 9,392,172	\$ 542,498	\$ 13,083,517
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 179,630	\$ 181	\$ —	\$ 179,811
Due to other governments	1,206,943	—	—	1,206,943
Accrued liabilities	583,218	—	—	583,218
Due to other funds	—	—	134,318	134,318
Total Liabilities	1,969,791	181	134,318	2,104,290
Fund Balances:				
Reserved:				
Reserved for debt service	222,987	11,923	500,142	735,052
Reserved for encumbrances	66,830	1,509,454	—	1,576,284
Reserved for capital improvements	—	7,870,614	—	7,870,614
Unreserved, reported in:				
General fund	889,239	—	—	889,239
Special revenue funds	—	—	(91,962)	(91,962)
Total Fund Balances	1,179,056	9,391,991	408,180	10,979,227
Total Liabilities And Fund Balances	\$ 3,148,847	\$ 9,392,172	\$ 542,498	\$ 13,083,517

CITY OF BRIDGETON, MISSOURI

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS December 31, 2003

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

Total fund balance - governmental funds	\$ 10,979,227
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$20,818,658 and the accumulated depreciation is \$7,124,470.	13,694,188
Property taxes assessed by the City, but not collected as of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements.	128,172
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. All liabilities - both current and long-term - are reported on the government-wide statement of net assets.	
Balances as of December 31, 2003 are:	
Accrued compensated absences, vacation	(434,435)
Bonds and notes payable	(10,834,766)
Internal service funds are used by management to charge the cost of central garage repairs and maintenance on department vehicles to the individual departments. The assets and liabilities are included in the statement of net assets.	<u>307,412</u>
Total net assets - governmental activities	<u><u>\$ 13,839,798</u></u>

CITY OF BRIDGETON, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BLANCES GOVERNMENTAL FUNDS

For The Year Ended December 31, 2003

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Capital Improvement Sales Tax	Other Governmental Funds	
Revenues				
Taxes	\$ 7,893,268	\$ 3,396,647	\$ —	\$ 11,289,915
Licenses and permits	1,777,636	—	—	1,777,636
Intergovernmental	1,182,924	—	—	1,182,924
Charges for services	992,407	—	91,720	1,084,127
Fines and forfeitures	283,048	—	—	283,048
Investment income	271,722	—	—	271,722
Miscellaneous	1,279,005	11,923	—	1,290,928
Total Revenues	13,680,010	3,408,570	91,720	17,180,300
Expenditures				
Current:				
General government	2,409,301	—	—	2,409,301
Public safety	5,073,911	—	—	5,073,911
Public works	4,113,105	—	49,689	4,162,794
Culture and recreation	3,000,536	422,073	—	3,422,609
Total Current	14,596,853	422,073	49,689	15,068,615
Capital outlay	—	2,692,580	—	2,692,580
Debt service:				
Principal retirement	—	—	510,000	510,000
Interest and fiscal charges	573,292	—	115,020	688,312
Total Expenditures	15,170,145	3,114,653	674,709	18,959,507
Revenues Over (Under) Expenditures	(1,490,135)	293,917	(582,989)	(1,779,207)
Other Financing Sources (Uses)				
Transfers in	—	—	623,494	623,494
Transfers out	(623,494)	—	—	(623,494)
Total Other Financing Sources (Uses)	(623,494)	—	623,494	—
Net Changes In Fund Balances	(2,113,629)	293,917	40,505	(1,779,207)
Fund Balances				
Beginning of year	3,292,685	9,098,074	367,675	12,758,434
End of year	\$ 1,179,056	\$ 9,391,991	\$ 408,180	\$ 10,979,227

CITY OF BRIDGETON, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2003

Net change in fund balances - total governmental funds \$ (1,779,207)

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

Governmental funds report capital outlays as expenditures. However, in the statements of activities, assets with an initial, individual cost of more than \$250 for general and \$5,000 for infrastructure are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 3,778,985	
Depreciation expense	<u>(736,694)</u>	3,042,291

In the statement of activities, the gain on the sale of capital assets is reported. The gain is not a source of current resources and thus is not reported in the funds. (47,719)

Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. (46,708)

Internal service funds are used by management to charge the costs repairs and maintenance on vehicles to the appropriate funds. This amount is net expense attributable to governmental activities. (21,874)

The governmental funds report repayment of bond principal as an expenditure. In the statement of activities, repayment reduces long-term liabilities. 510,000

Compensated absences, as reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 26,342

Some of the City's revenues, including taxes, will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the fund financial statements. 128,172

Change in net assets of governmental activities \$ 1,811,297

CITY OF BRIDGETON, MISSOURI

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
For The Year Ended December 31, 2003

	Governmental Activities - Internal Service Fund
Assets	
Inventories	\$ 46,027
Capital assets (net of accumulated depreciation)	280,124
Total Assets	<u>326,151</u>
Liabilities	
Accounts payable	11,530
Accrued liabilities	7,209
Total Liabilities	<u>18,739</u>
Net Assets - Unrestricted	<u>\$ 307,412</u>

CITY OF BRIDGETON, MISSOURI

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND**

For The Year Ended December 31, 2003

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges for services	\$ 333,976
Gas and oil	115,329
Total Operating Revenues	<u>449,305</u>
Operating Expenditures	
Salaries and employee benefits	193,733
Pension contribution	5,750
Supplies	211,845
Repairs and maintenance	41,648
Depreciation	14,112
Miscellaneous	4,091
Total Operating Expenses	<u>471,179</u>
Operating Loss	(21,874)
Change In Net Assets	
Net assets - beginning of year	<u>329,286</u>
Net assets - end of year	<u>\$ 307,412</u>

CITY OF BRIDGETON, MISSOURI

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
For The Year Ended December 31, 2003**

	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities	
Receipts from interfund services provided	\$ 445,215
Payments to suppliers	(246,416)
Payments to employees and employee benefit plans	(198,799)
Net Cash Provided By Operating Activities	<u>—</u>
Cash - Beginning Of Year	<u>—</u>
Cash - End Of Year	<u><u>\$ —</u></u>
Reconciliation Of Operating Income To Net Cash Flow From Operating Activities:	
Operating loss	\$ (21,874)
Adjustments to reconcile operating loss to net cash flow from operating activities:	
Depreciation	14,112
Change in assets and liabilities:	
Inventory	1,212
Accounts payable	5,865
Accrued expenses	685
Net Cash Flow From Operating Activities	<u><u>\$ —</u></u>

CITY OF BRIDGETON, MISSOURI

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2003**

	Pension Trust Fund	Agency Funds
Assets		
Cash and investments	\$ 16,592,007	\$ 551,834
Liabilities		
Escrow funds payable	—	551,834
Net Assets	\$ 16,592,007	\$ —

CITY OF BRIDGETON, MISSOURI

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND
For The Year Ended December 31, 2003**

Additions

Employer contributions	<u>\$ 252,000</u>
Investment Income:	
Net appreciation in fair value of investments	2,451,892
Interest	65,567
Less: Investment expenses	<u>110,356</u>
Total Investment Income	<u>2,407,103</u>
Total Additions	<u>2,659,103</u>

Deductions

Benefits paid	<u>422,452</u>
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Net Increase

2,236,651

**Net Plan Assets Held In Trust For Pension Benefits,
January 1, 2003**

14,355,356

**Net Plan Assets Held In Trust For Pension Benefits,
December 31, 2003**

\$ 16,592,007

CITY OF BRIDGETON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2003

1. Summary Of Significant Accounting Policies

City of Bridgeton, Missouri, was incorporated February 27, 1843. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: Public safety (police), highways and streets, sanitation, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles applicable to governmental entities. The following is a summary of the significant accounting policies:

Reporting Entity

The City defines its reporting entity in accordance with Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. The criteria used in determining the scope of the entity for financial reporting purposes includes, but is not limited to, the method of budget adoption, taxing authority, whether debt is secured by revenues or general obligations of the City, the obligation of the City to finance any deficits that may occur, and supervision over the accounting functions.

Component units are organizations for which the City, as the primary government, is financially accountable. To be considered financially accountable, the organization must be fiscally dependent on the City or the City must appoint a majority of the board of the organization and either 1) be able to impose its will on the organization or 2) the relationship must have the potential for creating a financial benefit or imposing a financial burden on the City.

Based on the foregoing, the City's basic financial statements include all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or dependent on the City.

Adoption Of New Accounting Standards

During 2003, the City adopted GASB Statement No. 34, *Basic Financial Statements - and Management Discussion and Analysis - For State and Local Governments* (GASB No. 34), GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* (GASB No. 37), GASB Statement No. 38, *Certain Financial Statement Note Disclosures* (GASB No. 38) and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB No. 34 (as amended by GASB No. 37) represents a very significant change in the financial reporting model used by state and local governments.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

GASB No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting. Government-wide financial statements do not provide information by fund or account group. Additionally, the City's statement of net assets includes capital assets and long-term liabilities of the City, which were previously recorded in the general fixed assets account group and the general long-term debt account group, respectively. In addition to the fixed assets previously recorded in the general fixed assets account group, the City is required to prospectively capitalize infrastructure assets starting January 1, 2003 and will be required to retroactively capitalized infrastructure assets over a period of four years ending December 31, 2008. The government-wide statement of activities also reflects depreciation expense on the City's capital assets, including capitalized infrastructure.

In addition to the government-wide financial statements the City has prepared fund financial statements, which continue to use the modified accrual basis of accounting for the City's governmental funds and the accrual basis of accounting for the City's proprietary funds, which is similar to that previously presented for these funds in the City's financial statements, although the format of financial statements has been modified by GASB No. 34.

GASB No. 34 also includes, as required supplementary information, Management's Discussion and Analysis, which provides an analytical overview of the City's financial activities. In addition, budgetary comparison schedules are presented which compare the original and final revised budget with actual results for the general fund and major special revenue funds.

GASB No. 38 requires certain disclosures to be made in the notes to the basic financial statements concurrent with the implementation of GASB No. 34. While this statement did not affect amounts reported in the financial statements of the City, certain note disclosures have been added and amended including descriptions of activities of major funds, future debt service and lease obligations in five year increments, and interfund balances and transactions.

These statements had a significant effect on the City's financial reporting model. All statements were retroactively applied to January 1, 2003. Restatement of net assets within the government-wide financial statements - governmental activities is as follows:

Fund equity at December 31, 2002 – Governmental Funds	\$ 12,758,434
Required GASB 34 adjustments:	
Long-term debt	(11,298,058)
Net capital assets	10,699,615
Accrued compensated absences	(460,777)
Internal service fund allocation	329,287
	<hr/>
Restated net assets at January 1, 2003	<u>\$ 12,028,501</u>

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Government-Wide And Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings and other items 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 proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balance for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) 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 - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvement Sales Tax Fund - The capital improvement sales tax fund is used to account for the financial resources designated for local parks and storm water improvement project. The only source of revenue is a 1/2 cent sales tax approved on April 1, 1998. This sales tax is not subject to St. Louis County's redistribution plan.

The other governmental funds of the City are considered nonmajor. They are a debt service fund which accounts for the accumulation of resources for and the payment to general long-term debt, principal, interest and related costs and the sewer lateral fund which accounts for sewer lateral fund revenues to be used for repair and maintenance of sewer lateral systems.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance. The City has one proprietary fund which consists of the following:

Internal Service Fund – Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments. The internal service fund was established to account for the maintenance of all city-owned vehicles.

Measurement Focus And Basis Of Accounting

The government-wide financial statements and all proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 imposed by the provider have been met.

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current financial resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are reported. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Under the modified-accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. The term “available” is defined as collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For the City, available means expected to be received within 60 days of fiscal year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Expenditures for principal and interest on long-term debt are not recognized until due.

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

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 or the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed non-exchange 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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

Investments

Investments are carried at fair value based upon quoted market prices.

Statement Of Cash Flows

The proprietary fund type considers short-term investments with original maturities of less than three months to be cash equivalents.

Inventories

Inventories which benefit future periods, other than those recorded in the proprietary fund, are recorded as expenditures during the year of purchase. Inventories in the proprietary fund, are stated at the lower of cost (first-in, first-out method) or market.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, equipment and prospectively reported infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with the transitional provision of GASB Statement No. 34, general government infrastructure assets (streets, bridges, sidewalks) have not been fully capitalized retroactively at January 1, 2003 but will be over the next four years.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Structures and improvements	20 years
Land improvement	20 years
Furniture and other equipment	5 - 8 years
Vehicles	8 years
Machinery and equipment	10 - 15 years
Computer equipment	5 years

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported adjusted by the applicable bond premium or discount and bond issuance costs.

In the fund financial statements, governmental funds 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.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Compensated Absences

The City's policies regarding vacation and sick leave permit employees to accumulate a maximum of 18 times the employee's monthly vacation earned and a maximum accumulation of 180 days of sick leave. Policies allow payment for vacation time in lieu of time off, for a maximum of 40 hours per calendar year with the department head's and personnel director's prior approval, and require the cancellation of accumulated sick leave on date of employment termination. The City will grant all current and future employees, with at least 20 years of service, an additional 960 hours of sick leave to be used once all other compensated time has been utilized. No liability has been recorded for this change since employees are not vested with respect to these additional hours. Compensatory time is granted for overtime hours worked.

In the governmental fund types, the cost of vacation benefits, sick leave and compensatory time are not expected to be liquidated with expendable available financial resources and, therefore, are recorded in the general long-term debt account group.

Net Assets

In the government-wide and proprietary fund financial statements, net assets is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriations or is legally segregated for a specific future use.

Interfund Transactions

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expensed are recorded as other financing sources (uses) in the governmental fund financial statements.

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (Continued)

Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from fund balances of governmental fund types and additions or deductions of contributed capital or retained earnings, as appropriate, of the proprietary fund type.

Charges or collections for services rendered by one fund for another are recognized as revenues of the recipient fund and expenditures or expenses of the disbursing fund. These transactions are recorded as quasi-external transactions because they would be treated as revenues and expenditures or expenses if they involved organizations external to the City.

Estimates And Assumptions

The preparation of general purpose financial statements in conformity with 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 or expenses during the reporting period. Actual results could differ from those estimates.

2. Cash And Investments

At December 31, 2003, cash and investments consisted of the following:

Petty cash	\$ 5,075
Cash deposits	1,499,880
Money market mutual fund	500,142
U.S. Government securities	8,411,286
Repurchase agreements	609,200
Investment in pension plan assets	<u>16,592,007</u>
	<u>\$ 27,617,590</u>

State statutes authorize Missouri local governments to invest in obligations of the United States Treasury and United States Government agencies; the State of Missouri; and local governments in Missouri with populations greater than 400,000. Deposits in financial institutions must be covered by FDIC insurance or collateralized by securities pledged to the City by these same institutions. The pension trust fund investments are not subject to such restrictions.

Deposits

At December 31, 2003, the carrying amounts of the City's deposits were \$1,499,880 and the bank balances were \$1,809,394. Such bank balances were covered by the Federal Deposit Insurance Corporation and collateral held by the City's agent in the City's name.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (Continued)

Investments

The City's investments are categorized below to give an indication of the level of risk assumed at year end. Category 1 includes investments insured or registered with securities held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

	Category			Fair Value
	1	2	3	
U.S. government securities	\$ 8,411,286	\$ —	\$ —	\$ 8,411,286
Repurchase agreements	—	609,200	—	609,200
	<u>\$ 8,411,286</u>	<u>\$ 609,200</u>	<u>\$ —</u>	<u>9,020,486</u>
Pooled investments:				
Money market mutual fund				500,142
Investment in equity and non-equity funds of pension plan				16,592,007
Deposits and petty cash				<u>1,504,955</u>
				<u>\$ 27,617,590</u>

3. Property Taxes

Property taxes are levied annually on January 1, based upon assessed values at that date, and St. Louis County issues the bills on or about September 1. Taxes are due and collectible on December 31. Liens are placed on property for unpaid taxes on January 1 following the due date. The City tax rate for 2003 was fixed at \$.16 per \$100 of assessed valuation for residential and agriculture, and \$.23 for commercial property all of which is allocated to the general fund.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2003:

	Balance - January 1, 2003	Additions	Retirements	Balance - December 31, 2003
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ —	\$ 322,078	\$ —	\$ 322,078
Construction in process	986,584	1,674,924	—	2,661,508
Total capital assets not being depreciated	986,584	1,997,002	—	2,983,586
Capital assets, being depreciated:				
Land improvements	2,846,026	—	—	2,846,026
Infrastructure	—	822,037	—	822,037
Buildings	9,375,000	448,964	—	9,823,964
Machinery and equipment	4,619,313	510,982	125,372	5,004,923
Total capital assets being depreciated	16,840,339	1,781,983	125,372	18,496,950
Less accumulated depreciation for:				
Land improvements	1,414,172	125,633	—	1,539,805
Infrastructure	1,644	19,732	—	21,376
Buildings	2,905,724	197,406	—	3,103,130
Machinery and equipment	2,511,531	408,035	77,653	2,841,913
Total accumulated depreciation	6,833,071	750,806	77,653	7,506,224
Total capital assets being depreciated, net	10,007,268	1,031,177	47,719	10,990,726
Governmental activities capital assets, net	\$ 10,993,852	\$ 3,028,179	\$ 47,719	\$ 13,974,312

The City has elected to phase in over part of the available transitional period, the retroactive reporting of infrastructure capital assets. Infrastructure assets as of January 1, 2003 represent the construction in progress amounts for certain roads and related sidewalks and street lights that were placed in service during 2003. All other infrastructure assets placed in service prior to January 1, 2003 will be reported in future financial statements in accordance with the transitional provisions allowed for infrastructure assets in GASB 34.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 62,262
Public safety	80,701
Public works	185,724
Vehicle and equipment maintenance	14,113
Parks and recreation	408,006
	<hr/>
Total depreciation expense - governmental-type activities	<u>\$ 750,806</u>

5. Long-Term Liabilities

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

	Balance - January 1, 2003	Additions	Retirements	Balance - December 31, 2003	Current Portion
Governmental Activities:					
Lease Revenue Bonds	\$ 2,465,000	\$ —	\$ 510,000	\$ 1,955,000	\$ 535,000
Tax Increment Revenue Notes	8,833,058	46,708	—	8,879,766	—
Accrued compensated absences	460,777	—	26,342	434,435	—
	<hr/>			<hr/>	
	\$ 11,758,835	\$ 46,708	\$ 536,342	\$ 11,269,201	\$ 535,000

The Tax Increment Financing (TIF) notes payable represent special, limited obligations of the City, payable solely from the incremental sales and real estate taxes generated by the related redevelopment area. The notes bear interest at 7.75% with final maturity on December 30, 2012. The balance at December 31, 2003 represents outstanding notes of \$8,000,000 plus accrued interest of \$879,766, of which \$46,708 was accrued to the principal balance in 2003. The annual debt service repayments of the TIF notes are contingent upon the amounts of payments in lieu of taxes collected by the special allocation fund.

The lease revenue bonds represent the balance due on a \$5,000,000 financing lease with the Missouri Development Finance Board for construction of a new police station, renovation to the existing city hall and construction of street improvements, payable over fourteen years including interest at rates ranging from 3.0% to 5.3%, with final maturity on February 15, 2007. The annual requirements relating to this debt are as follows:

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (Continued)

Year Ending December 31,	Governmental Activities	
	General Obligation	
	Principal	Interest
2004	\$ 535,000	\$ 85,490
2005	565,000	57,990
2006	595,000	28,693
2007	260,000	6,760
	<u>\$ 1,955,000</u>	<u>\$ 178,933</u>

The \$5,000,000 financing lease debt is secured by the related constructed building and the property and equipment contained therein.

6. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure, as part of the combined financial statements, of certain information concerning individual funds including:

Deficit fund balances or retained earnings balances of individual funds were as follows:

<u>Fund</u>	<u>Amount</u>
<u>Sewer Lateral Fund</u>	<u>\$ 91,962</u>

7. Interfund Transactions

Balances due to/from other funds: The General Fund has an advance to the Sewer Lateral Special Revenue Fund of \$134,318 to finance that fund's negative pooled cash position at December 31, 2003.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (Continued)

8. Employee Retirement Plan

Plan Description

The City has a defined benefit retirement plan (the Plan) covering substantially all employees of the City. The Plan is a single-employer plan considered to be part of the City's financial reporting entity and is included in the City's financial statements as a pension trust fund. At January 1, 2004 (for the year ended December 31, 2003), membership in the Plan consisted of the following:

Active employees	135
Retirees and beneficiaries currently receiving benefits	63
Terminated employees entitled to benefits but not yet receiving them	<u>46</u>
Total	<u><u>244</u></u>

The City's payroll for employees covered by the plan for the year ended December 31, 2003 was \$6,443,941. The City's total payroll was \$7,433,278.

Under the Plan, all civilian and police employees of the City are eligible to participate. The retirement benefit is calculated at 2.0% of average annual earnings, times years of credited service. Average annual earnings are based on the highest consecutive 5 years of the last 10 years of service. Contributions, as determined by the actuary using the method described below, are made by the City.

Summary Of Significant Accounting Policies

Basis of Accounting - The Plan's policy is to prepare its financial statements on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Valuation of Investments - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

Significant Investments - There are no significant investments in any one organization that represents 5% or more of net assets available for benefits.

The Plan does not issue a stand-alone financial report and is not included in the report of a PERS or another entity.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (Continued)

Funding Policies

The Plan's funding policy provides for actuarially determined annual required contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost was determined using the aggregate actuarial cost method, which does not identify or separately amortize unfunded actuarial liabilities. The pension plan is entirely funded by the City. No employee contributions are required.

Contributions to be made in 2004 for the Plan year ended December 31, 2003 were appropriated in the amount of \$952,000 (14.8% of annual covered payroll). The March, 2004 actuarial valuation calculated a normal cost of \$1,159,706.

Annual Pension Cost

The City's annual pension cost for the current year is as follows:

Annual required contribution (January 1, 2003)	\$ 975,231
Interest on net pension asset	(46,104)
Adjustment to annual required contribution	64,775
Annual pension cost	993,902
Contributions made for 2003	952,000
Decrease in net pension asset	41,902
Net pension asset - beginning of year	614,716
	<u> </u>
Net pension asset - end of year	<u>\$ 572,814</u>

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Asset</u>
2001	\$ 19,987	951%	\$ 828,037
2002	465,321	54%	614,716
2003	993,902	96%	572,814

9. Deferred Compensation Plan

The City offers its employees three deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

In accordance with Section 457 of the Internal Revenue Code, plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and liabilities of the deferred compensation plans are not included in the accompanying general purpose financial statements.

10. Insurance Pool

The City participates in two self-insurance pools, the Property and Casualty Trust of St. Louis, Inc., (PACT) and the St. Louis Area Insurance Trust (SLAIT). Membership includes other St. Louis County municipalities.

PACT provides general liability, auto liability, police professional liability and paramedics' malpractice coverages for the City. Premiums are calculated on an individual city basis by reviewing exposures according to insurance industry standards established by the reinsurance carrier. The rates are adjusted for each member using a three-year analysis of claims and losses for each member. Claims are paid from a self-insured retention established by the pool with stop-loss protection provided on both an individual and aggregate basis through the purchase of reinsurance contracts.

SLAIT provides workmen's compensation coverage at levels required by state law. Each member of SLAIT is assessed an annual premium based upon rates established by the Division of Workmen's Compensation for each class of employee. Claims are paid from a self-insured retention established by the pool with stop-loss protection on both an individual claim and aggregate basis provided by a reinsurance contract.

As a member of PACT and SLAIT, the City also purchases insurance policies on a group basis but issued to each participating city for auto physical damage, property coverage and public official liability coverages. In addition, the City acquires its bonding and sales tax interruption policies through PACT and SLAIT.

Settled claims have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

11. Commitments And Contingencies

From 1998 through 2003, the City was involved in unsuccessful legal proceedings seeking to prevent the expansion of St. Louis-Lambert International Airport into the City of Bridgeton's city limits. As a result of this expansion, now currently underway, the City has experienced and may continue to experience permanent loss of certain sales and property tax revenues, offset partially by cost savings from the termination of City services previously provided within the expansion area. Although the amount of potential gross tax revenue loss is not determinable at this time, the amount has been estimated to be as much as \$1,500,000 annually.

CITY OF BRIDGETON, MISSOURI

Notes To Basic Financial Statements *(Continued)*

The City is a defendant in other various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's attorneys that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

12. Subsequent Event

In February of 2004, the City issued a complete refunding of the Missouri Development Finance Board note payable in the amount of \$1,685,000. The refunding is expected to save the City \$310,000 per year in annual payments. The Series 2004 bonds will carry an average coupon rate of 2.55% and a maturity of 5 years beginning in 2005.

Required Supplementary Information

CITY OF BRIDGETON, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 8,976,000	\$ 8,976,000	\$ 7,893,268	\$ (1,082,732)
Licenses and permits	2,085,800	2,085,800	1,777,636	(308,164)
Intergovernmental	1,211,700	1,211,700	1,182,924	(28,776)
Charges for services	1,145,800	1,145,800	992,407	(153,393)
Fines and forfeitures	386,000	386,000	283,048	(102,952)
Investment income	490,000	490,000	271,722	(218,278)
Miscellaneous	805,350	805,350	1,279,005	473,655
Total Revenues	15,100,650	15,100,650	13,680,010	(1,420,640)
Expenditures				
General government:				
Legislative	157,350	157,350	141,283	16,067
Municipal court	221,250	221,250	206,949	14,301
Executive	321,050	321,050	307,800	13,250
Legal	326,900	484,900	479,883	5,017
Boards and commissions	41,900	41,900	26,608	15,292
Buildings	203,950	580,950	561,574	19,376
Corporate expense	399,900	437,900	424,578	13,322
Personnel	37,100	37,100	25,488	11,612
Finance	242,950	242,950	235,138	7,812
Total General Government	1,952,350	2,525,350	2,409,301	116,049
Public Safety	5,220,150	5,220,150	5,073,911	146,239
Public Works	4,101,900	4,101,900	4,113,105	(11,205)
Culture and recreation				
Administration	1,132,900	1,141,200	1,044,557	96,643
Carrollton Center	112,900	104,600	45,717	58,883
Park Maintenance	897,600	897,600	761,404	136,196
BMAC maintenance	150,300	150,300	174,907	(24,607)
Senior citizens	249,100	249,100	235,401	13,699
Concessions	120,400	120,400	123,268	(2,868)
Swimming pool	104,250	104,250	88,520	15,730
Golf course	662,600	662,600	526,762	135,838
Total Culture and Recreation	3,430,050	3,430,050	3,000,536	429,514
Total Current	14,704,450	15,277,450	14,596,853	680,597
Debt service:				
Interest and fiscal charges	600,000	600,000	573,292	26,708
Total Expenditures	15,304,450	15,877,450	15,170,145	707,305
Excess (Deficiency) Of Revenues				
Over Expenditures	(203,800)	(776,800)	(1,490,135)	(713,335)
Other Financing Sources (Uses)				
Operating transfers out	—	—	(623,494)	(623,494)
Total Other Financing Sources (Uses)	—	—	(623,494)	(623,494)
Excess (Deficiency) Of Revenues				
And Other Financing Sources				
Over Expenditures And				
Other Financing Uses	(203,800)	(776,800)	(2,113,629)	(1,336,829)
Fund Balances				
Beginning of year	3,292,685	3,292,685	3,292,685	—
End of year	\$ 3,088,885	\$ 2,515,885	\$ 1,179,056	\$ (1,336,829)

CITY OF BRIDGETON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT SALES TAX FUND
For The Year Ended December 31, 2003

	Original And Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Sales taxes	\$ 3,800,000	\$ 3,396,647	\$ (403,353)
Miscellaneous	—	11,923	11,923
Total Revenues	3,800,000	3,408,570	(391,430)
Expenditures			
Current			
Culture and recreation	975,700	422,073	553,627
Capital outlay	6,905,000	2,692,580	4,212,420
Total Expenditures	7,880,700	3,114,653	4,766,047
Excess (Deficiency) Of Revenues Over Expenditures	(4,080,700)	293,917	4,374,617
Fund Balances			
Beginning of year	9,098,074	9,098,074	—
End of year	\$ 5,017,374	\$ 9,391,991	\$ 4,374,617

CITY OF BRIDGETON, MISSOURI

NOTES TO BUDGETARY COMPARISON INFORMATION December 31, 2003

Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that depreciation is not budgeted for the proprietary fund type. Annual appropriated budgets are adopted for the general, special revenue, debt service and internal service funds.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The City cannot legally budget expenditures, at the fund level, in excess of the total revenue of the preceding year plus any unreserved fund balance at the end of such year. The original budget adopted by the City Council may be amended anytime during the year provided the limit is not exceeded.
2. Public hearings are conducted by the City to obtain taxpayer comments.
3. The budget is adopted by the affirmative vote of a majority of the members of the City Council not later than three days prior to the end of each respective fiscal year. Should the City Council take no final action by this date, the budget, as submitted, is deemed to have been finally adopted.
4. The City Council is authorized to transfer budgeted amounts between departments within any fund and to alter the total expenditures of any fund. Management is authorized to transfer budgeted amounts intradepartmentally within a fund during the fiscal year. The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level for the general fund and special revenue funds and the fund level for all other funds. Unexpended appropriations lapse at year-end and must be reappropriated at the onset of the following budget year.
5. Formal budgetary integration is employed as a management control device during the year for all funds budgeted.

Budgeted amounts are as legally adopted, including amendments by the City Council through ordinances. Any increase in appropriations during the fiscal year must be approved by the City Council. The total additional appropriations adopted by the City Council through budget amendments amounted to \$573,000.

Expenditures exceeded appropriations in the public works department of the general fund by \$11,205.

CITY OF BRIDGETON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) PENSION December 31, 2003

Schedule Of Employer Contributions

The following table provides an analysis of employer contributions for the last six years:

<u>Year Ended</u>	<u>Annual Required Contribution⁽¹⁾</u>	<u>Actual Contribution</u>	<u>Percentage Contribution</u>
1997	\$ 201,014	\$ 219,000	109
1998	38,074	285,000	749
1999	—	234,600	—
2000	—	182,000	—
2001	—	190,000	—
2002	440,170	252,000	57
2003	975,231	952,000 ⁽²⁾	98

⁽¹⁾ No Annual Required Contribution was required for 1999 through 2001.

⁽²⁾ The City's contribution for the plan year ending December 31, 2003 will be made in 2004.

Notes To Required Supplementary Information

Schedule Of Funding Progress

A schedule of funding progress is not presented as the City used the aggregate actuarial cost method. This method does not identify or separately amortize unfunded actuarial liabilities.

Actuarial Assumptions And Methods

The actuarial accrued liability was determined as part of an actuarial valuation at January 1, 2004, the most recently filed actuarial valuation report. Additional information as of the latest actuarial valuation follows:

Valuation Date:	January 1, 2004
Actuarial Cost Method:	Aggregate
Amortization Method:	Level dollar, open
Amortization Period:	15-year period
Asset Valuation Method:	Actuarial - three-year smoothed value
Actuarial Assumptions:	
Investment Rate Of Return	7.5%
Projected Salary Increases	4.5% ⁽¹⁾

⁽¹⁾ Includes inflation component of 3.5%.

Other Supplementary Information

**Combining And Individual Fund
Financial Statements And Schedules**

CITY OF BRIDGETON, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2003**

	Sewer Lateral	Debt Service	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ —	\$ 500,142	\$ 500,142
Receivables:			
Taxes	42,356	—	42,356
Total Assets	\$ 42,356	\$ 500,142	\$ 542,498
Liabilities And Fund Balances			
Liabilities			
Due to other funds	\$ 134,318	\$ —	\$ 134,318
Fund Balances			
Reserved for debt service	—	500,142	500,142
Unreserved, undesignated	(91,962)	—	(91,962)
Total Fund Balances	(91,962)	500,142	408,180
Total Liabilities And Fund Balances	\$ 42,356	\$ 500,142	\$ 542,498

CITY OF BRIDGETON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2003

	Sewer Lateral	Debt Service	Total Nonmajor Governmental Funds
Revenues			
Charges for services	\$ 91,720	\$ —	\$ 91,720
Expenditures			
Current:			
Public works	49,689	—	49,689
Debt service:			
Principal retirement	—	510,000	510,000
Interest and fiscal charges	—	115,020	115,020
Total Expenditures	49,689	625,020	674,709
Excess (Deficiency) Of Revenues Over Expenditures	42,031	(625,020)	(582,989)
Other Financing Sources			
Operating transfers in	—	623,494	623,494
Net Increase (Decrease) In Fund Balance	42,031	(1,526)	40,505
Fund Balances			
Beginning of year	(133,993)	501,668	367,675
End of year	\$ (91,962)	\$ 500,142	\$ 408,180

CITY OF BRIDGETON, MISSOURI

**SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION - BUDGET AND ACTUAL
(BUDGET BASIS) - SEWER LATERAL FUND
For The Year Ended December 31, 2003**

	Original And Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Charges for services	\$ 140,000	\$ 91,720	\$ (48,280)
Expenditures			
Public works	140,000	49,689	90,311
Excess Of Revenues Over Expenditures	—	42,031	42,031
Fund Balances (Deficit)			
Beginning of year	(133,993)	(133,993)	—
End of year	\$ (133,993)	\$ (91,962)	\$ 42,031

CITY OF BRIDGETON, MISSOURI

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS -
BUDGET AND ACTUAL (BUDGET BASIS)
INTERNAL SERVICE FUND
For The Year Ended December 31, 2003**

	Original And Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Operating Revenues			
Charges for services	\$ 375,200	\$ 333,976	\$ (41,224)
Gas and oil	130,350	115,329	(15,021)
Total Operating Revenues	505,550	449,305	(56,245)
Operating Expenses			
Salaries and employee benefits	202,400	193,733	8,667
Pension contribution	5,750	5,750	—
Supplies	230,750	211,845	18,905
Repairs and maintenance	62,000	41,648	20,352
Miscellaneous	4,650	4,091	559
Total Operating Expenses	505,550	457,067	48,483
Net Income	\$ —	(7,762)	\$ (7,762)
Budgetary Basis Adjustment To GAAP			
Depreciation		(14,112)	
Net Assets - Beginning Of Year		329,286	
Net Assets - End Of Year		\$ 307,412	

CITY OF BRIDGETON, MISSOURI

**COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
AGENCY FUNDS
December 31, 2003**

Assets

	Performance Bond	Sidewalk Escrow	Utility Escrow	Future Street Construction	Miscellaneous Deposit	Total
Cash And Investments	\$ 52,276	\$ 151,428	\$ 10,430	\$ 236,029	\$ 101,671	\$ 551,834
Total Assets	52,276	151,428	10,430	236,029	101,671	551,834

Liabilities

Liabilities						
Escrow funds payable	52,276	151,428	10,430	236,029	101,671	551,834
Net Assets	\$ 52,276	\$ 151,428	\$ 10,430	\$ 236,029	\$ 101,671	\$ 551,834

CITY OF BRIDGETON, MISSOURI

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS
AGENCY FUNDS
December 31, 2003**

	Performance Bond	Sidewalk Escrow	Utility Escrow	Future Street Construction	Miscellaneous Deposit	Total
Assets						
Cash and investments, January 1	\$ 152,475	\$ 151,428	\$ 10,430	\$ 236,029	\$ 129,593	\$ 679,955
Additions	6,500	—	—	—	—	6,500
Deductions	(106,699)	—	—	—	(27,922)	(134,621)
Cash and investments, December 31	\$ 52,276	\$ 151,428	\$ 10,430	\$ 236,029	\$ 101,671	\$ 551,834
Liabilities						
Escrow funds payable, January 1	\$ 152,475	\$ 151,428	\$ 10,430	\$ 236,029	\$ 129,593	\$ 679,955
Additions	6,500	—	—	—	—	6,500
Deductions	(106,699)	—	—	—	(27,922)	(134,621)
Escrow funds payable, December 31	\$ 52,276	\$ 151,428	\$ 10,430	\$ 236,029	\$ 101,671	\$ 551,834



Statistical Section

CITY OF BRIDGETON, MISSOURI
REVENUES BY SOURCE - GENERAL FUND
LAST TEN YEARS

Year Ended	Taxes	Licenses And Permits	Intergovernmental Revenue	Charges For Services	Fines And Forfeitures	Miscellaneous Revenue	Total
1994	\$ 7,979,218	\$ 1,439,480	\$ 994,277	\$ 426,370	\$ 310,215	\$ 334,388	\$ 11,483,948
1995	7,858,117	1,608,501	1,389,434	406,830	337,233	716,801	12,316,916
1996	7,701,792	1,690,387	2,270,427	427,428	340,111	469,263	12,899,408
1997	7,727,955	1,778,258	1,760,013	438,933	338,168	427,212	12,470,539
1998	7,717,561	1,855,348	1,177,613	441,540	355,278	506,452	12,053,792
1999	8,083,754	1,920,217	1,235,916	469,734	400,047	911,387	13,021,055
2000	8,310,076	2,283,125	1,254,718	1,065,675 (1)	322,838	1,047,754	14,284,186
2001	8,363,502	2,252,134	1,310,542	1,129,454	341,863	1,566,163	14,963,658
2002	7,954,239	1,898,738	1,190,190	1,009,970	360,433	1,328,435	13,742,005
2003	7,893,268	1,777,636	1,182,924	992,407	283,048	1,550,727	13,680,010

NOTE: (1) Effective January 1, 2000, the golf course operations were transferred from the enterprise fund to the general fund.

CITY OF BRIDGETON, MISSOURI
EXPENDITURES BY FUNCTION - GENERAL FUND
LAST TEN YEARS

Year Ended	Current					Total Current	Debt Service (2)	Total
	General Government	Public Safety	Public Works	Culture And Recreation				
1994	\$ 1,336,594	\$ 3,510,042	\$ 3,356,969	\$ 2,338,044		\$ 10,541,649	\$ —	\$ 10,541,649
1995	1,732,373	3,675,161	3,890,671	2,693,515		11,991,720	—	11,991,720
1996	1,937,771	3,851,879	3,633,876	2,474,020		11,897,546	—	11,897,546
1997	1,542,094	4,006,167	4,321,183	2,507,556		12,377,000	—	12,377,000
1998	1,807,391	3,977,160	3,787,087	2,268,994		11,840,632	—	11,840,632
1999	2,093,716	4,172,150	4,193,515	2,375,881		12,835,262	—	12,835,262
2000	1,683,220	4,579,797	3,486,644	2,952,247	(1)	12,701,908	456,993	13,167,901
2001	1,764,588	4,725,522	4,148,127	3,271,557		13,909,814	459,426	14,369,240
2002	2,006,577	4,931,905	4,041,120	3,265,522		14,245,124	563,518	14,808,642
2003	2,409,301	5,073,911	4,113,105	3,000,536		14,596,853	573,292	15,170,145

NOTES: (1) Effective January 1, 2000, the golf course operations were transferred from the enterprise fund to the general fund.

(2) Represents debt service on TIF notes issued in 1999.

CITY OF BRIDGETON, MISSOURI

TAX REVENUE - GENERAL FUND LAST TEN YEARS

Year Ended	Total Taxes	Property Taxes	Sales Tax	Gross Receipts Taxes
1994	\$ 7,979,218	\$ 406,482	\$ 5,610,519	\$ 1,962,217
1995	7,858,117	424,966	5,477,872	1,955,279
1996	7,701,792	429,732	5,136,911	2,135,149
1997	7,727,955	421,668	5,162,987	2,143,300
1998	7,717,561	445,932	5,094,579	2,177,050
1999	8,083,753	496,348	5,368,379	2,219,027
2000	8,310,076	534,355	5,556,346	2,219,375
2001	8,363,502	544,347	5,398,193	2,420,962
2002	7,954,239	556,202	5,245,435	2,152,602
2003	7,893,268	665,109	5,104,500	2,123,659

CITY OF BRIDGETON, MISSOURI
LICENSES AND PERMITS REVENUE - GENERAL FUND
LAST TEN YEARS

Year Ended	Total Licenses And Permits	Business	Hotel/ Motel	Liquor	Building And Other Construction	Franchise Fees - Cable TV	Other
1994	\$ 1,439,480	\$ 772,315	\$ 480,805	\$ 23,599	\$ 54,145	\$ 85,233	\$ 23,383
1995	1,608,501	915,601	507,416	29,173	39,440	91,203	25,668
1996	1,690,387	927,158	550,374	26,364	61,254	97,165	28,072
1997	1,778,258	1,056,741	513,719	26,329	48,251	103,487	29,731
1998	1,855,348	1,085,662	531,553	25,767	63,623	119,281	29,462
1999	1,920,217	1,156,354	528,083	25,369	51,373	132,167	26,871
2000	2,283,125	1,403,507	509,737	25,834	122,616	141,304	80,127
2001	2,252,134	1,488,548	452,412	23,506	52,423	145,780	89,465
2002	1,898,738	1,165,062	438,891	23,728	56,369	133,637	81,051
2003	1,777,636	1,117,416	391,957	23,555	73,986	116,282	54,440

CITY OF BRIDGETON, MISSOURI
INTERGOVERNMENTAL REVENUE - GENERAL FUND
LAST TEN YEARS

Year Ended	Total Intergovernmental	Cigarette Tax	Gasoline Tax	Special Road And Bridge Tax	Missouri Sales Tax - Motor Vehicles	Grants
1994	\$ 994,277	\$ 78,698	\$ 399,321 (1)	\$ 319,582	\$ 175,212	\$ 21,464 (2)
1995	1,389,434	82,478	420,759	330,224	180,143	375,830 (4)
1996	2,270,427	83,324	463,989 (3)	351,820	185,457	1,185,837 (4)
1997	1,760,013	80,023	493,102	336,316	194,724	655,848 (5)
1998	1,177,613	79,920	498,038	374,862	206,043	18,750 (6)
1999	1,235,916	78,273	507,629	409,032	221,287	19,695 (6)
2000	1,254,718	80,052	519,084	433,759	202,656	19,167 (6)
2001	1,310,542	71,746	500,386	435,408	234,898	68,104 (7)
2002	1,190,190	61,232	424,346	452,675	191,814	60,123 (7)
2003	1,182,924	59,001	441,547	416,272	191,047	75,057 (7)

NOTES: (1) Increase in gasoline tax from \$0.13 to \$0.15 effective April 1, 1994.

(2) F.E.M.A. Disaster Assistance.

(3) Increase in gasoline tax from \$0.15 to \$0.17 effective April 1, 1996.

(4) Federal-Aid Urban Project Funds and Federal Transit Administration Funds.

(5) Federal-Aid Urban Project Funds and Bureau of Justice Block Grant.

(6) Bureau of Justice Block Grant.

(7) Bureau of Justice Block Grant and SRO Grant.

CITY OF BRIDGETON, MISSOURI

**PROPERTY TAX LEVIES AND COLLECTIONS - GENERAL FUND
LAST TEN YEARS**

Calendar Year	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collected	Total Tax Collections	Total Collections As Percent Of Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent Of Levy
1994	\$ 409,158	\$ 350,656	86.0	\$ 50,128	\$ 400,784	98.0	\$ 71,361	17.4
1995	413,909	364,069	88.0	54,922	418,991	101.2	58,279	14.1
1996	445,886	383,535	86.0	41,113	424,648	95.2	39,886	8.8
1997	440,754	375,826	85.3	38,482	414,308	94.0	67,785	15.4
1998	450,240	373,717	83.0	66,266	439,983	97.7	79,318	17.6
1999	491,334	414,913	84.5	73,101	488,014	99.3	84,235	17.1
2000	498,032	452,532	90.9	73,063	525,595	105.5	55,844	11.2
2001	551,318	485,460	88.1	40,947	526,407	95.5	84,860	15.4
2002	532,438	498,395	93.6	56,988	555,383	104.3	48,290	9.1
2003	698,302	605,771	86.8	40,861	646,632	92.6	104,271	14.9

NOTES: (1) Above information is from records maintained by St. Louis County Collector's Office.

- (2) Taxes are collected by the St. Louis County Collector and Distributed to the City. A fee of 1% is charged for collections. It is the responsibility of St. Louis County to take necessary legal action to enforce collection, including the sale of delinquent taxes and the ultimate sale of property.
- (3) In accordance with the 1979 revision to the statutes of the State of Missouri, real estate and personal property tax receivables are retained on the books for ten and five years, respectively.
- (4) The City does not levy taxes on personal property.

CITY OF BRIDGETON, MISSOURI

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

Calendar Year	Real Estate		Personal Property		Railroad And Utilities		Total		Ratio Of Total Assessed To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1994	\$ 248,639,340	\$ 994,557,360	\$ 63,730,783	\$ 191,192,349	\$ 9,106,398	\$ 27,319,194	\$ 321,476,521	\$ 1,213,068,903	26.5
1995	251,614,310	1,006,457,240	66,763,377	200,290,131	9,231,434	27,694,302	327,609,121	1,234,441,673	26.54
1996	271,667,470	1,086,669,880	77,153,135	231,459,405	9,523,849	28,571,547	358,344,454	1,346,700,832	26.61
1997	268,534,750	1,074,139,000	79,351,897	238,055,691	9,571,634	28,714,902	357,548,281	1,340,909,593	26.66
1998	274,458,250	1,097,833,000	88,875,057	266,625,171	10,097,671	30,293,013	373,430,978	1,394,751,184	26.77
1999	298,399,500	1,193,598,000	97,376,670	292,130,010	9,660,404	28,981,212	405,436,574	1,514,709,222	26.77
2000	305,385,560	1,221,542,240	106,288,864	318,866,592	10,162,122	30,486,366	421,836,546	1,570,895,198	26.85
2001	336,826,640	1,347,306,560	109,987,995	329,963,985	12,094,143	36,282,429	458,908,778	1,713,552,974	26.78
2002	325,566,160	1,302,264,640	94,625,431	283,876,293	11,473,695	34,421,085	431,665,286	1,620,562,018	26.64
2003	325,097,290	1,300,389,160	97,389,892	292,169,676	9,680,745	29,042,235	432,167,927	1,621,601,071	26.65

NOTES: (1) Assessed valuations have been adjusted to reflect additions and strike-offs subsequent to January 1. Assessments are determined by the Assessor of St. Louis County. Property is assessed as of January 1. Taxes levied become due and payable on December 31 and delinquent after December 31. Interest and penalties for delinquent taxes are as follows:

- 1% interest per month on any portion thereof, not to exceed 10% per year.
- 2% penalty on face amount on tax bill including the cumulative interest charges.

(2) The ratio of total assessed to total estimated actual value for real estate is as follows:

Commercial	32%
Agriculture	12%
Residential	19%

(3) Personal property and railroads and utilities continue to be assessed at 33-1/3%.

CITY OF BRIDGETON, MISSOURI

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN YEARS (Per \$100 Assessed Valuation)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 (1)
City of Bridgeton - general revenue	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.160 (8)
St. Louis County	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.580
St. Louis County Library	0.13	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.140
St. Louis County Special School District	0.63	0.62	0.63	0.62	0.64	0.62	0.623	0.835	0.849	0.833 (2)
Sheltered Workshop And Residence Fund	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085
The Junior College District Of										
St. Louis - St. Louis County	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.232	0.231
School Districts:										
Pattonville R-3	3.81	3.85	3.86	3.92	3.93	3.79	3.939	3.943	4.046	3.8920 (3)
Hazelwood R-1	4.05	4.15	4.2	4.21	4.63	4.64	4.643	4.559	4.743	4.6904 (5)
Ferguson R-2	4.48	4.5	4.63	5	5.01	5.01	5.015	5.015	5.04	5.04
Ritenour Consolidated	4.19	4.24	4.26	4.31	4.32	4.78	4.78	4.604	4.648	4.546 (4)
Fire Protection Districts:										
Robertson Fire Protection District	0.91	0.96	1.2	1.25	1.25	1.4	1.55	1.555	1.619	1.655
Pattonville - Bridgeton Terrace										
Fire Protection District	1.28	1.28	1.27	1.28	1.22	1.22	1.206	1.168	1.454	1.412 (6)
Maryland Heights Fire Protection District	0.73	1.02	1.06	1.06	1.13	1.15	1.15	1.069	1.092	1.069 (7)
West Overland Fire Protection District	1.14	1.14	1.14	1.15	1.15	1.12	1.14	1.154	1.16	1.430
Metropolitan St. Louis Sewer District:										
Metro Sewer District	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.069	0.069	0.069
Metro Sewer District Extension	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.019	0.019	0.019
Mississippi River Anti-pollution										
Subdistrict	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.00	0.00
Cold Water Creek Subdistrict	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Missouri River - Bonfils Subdistrict	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Metropolitan zoo, park and museum district	0.224	0.228	0.232	0.232	0.232	0.227	0.232	0.222	0.222	0.226
State of Missouri	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03

NOTES: (1) Beginning in 2003, St. Louis County tax rates can be separate for each subclass of property (Residential, Commercial, Agriculture, and Personal Property)
Unless noted, all four rates are the same.

	Residential	Commercial	Agriculture	Personal Property
(2)	0.833	0.853	0.864	0.864
(3)	3.892	4.0488	4.43	4.2198
(4)	4.546	4.5712	0	4.7592
(5)	4.6904	4.8377	4.96	4.815
(6)	1.412	1.422	1.423	1.423
(7)	1.069	1.059	1.13	1.096
(8)	0.160	0.233	0.16	0

CITY OF BRIDGETON, MISSOURI

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND
NET BONDED DEBT PER CAPITA
LAST TEN YEARS**

Calendar Year	Population(1)	Assessed Value	Total Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio Of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1994	17,732	\$ 321,476,521	\$ 750,000	\$ 209,449	\$ 540,551	0.2	30.48
1995	17,732	327,609,121	575,000	199,298	375,702	0.1	21.19
1996	17,732	358,344,454	400,000	218,150	181,850	0.1	10.26
1997	17,732	357,548,281	200,000	200,000	—	—	—
1998	17,732	373,430,978	—	—	—	—	—
1999	17,732	405,436,574	—	—	—	—	—
2000	15,550	421,836,546	—	—	—	—	—
2001	15,550	458,908,778	—	—	—	—	—
2002	15,550	431,665,286	—	—	—	—	—
2003	15,550	432,167,929	—	—	—	—	—

NOTE: (1) 2000 population is actual U.S. Bureau of Census Count, all other years are estimated.

CITY OF BRIDGETON, MISSOURI
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2003

Jurisdiction	Net Debt Outstanding	Percentage Applicable To City Of Bridgeton (1)	Amount Applicable To City Of Bridgeton
City of Bridgeton	\$ —	100.00	\$ —
St. Louis County	116,545,000	3.94	4,591,873
Pattonville-Bridgeton Fire District	950,000	96.19	913,805
School Districts:			
Pattonville R-3	53,312,116	30.83	16,436,125
Hazelwood R-1	80,999,801	5.04	4,082,390
Ferguson R-2	19,805,016	0.13	25,747
State of Missouri	861,380,000	0.67	<u>5,771,246</u>
Total direct and overlapping debt			<u>\$ 31,821,186</u>
Direct and overlapping debt per capita (2)			<u>\$ 2,046.38</u>

NOTES: (1) Percent estimated based on land area served.

(2) Based on population of 15,550.

CITY OF BRIDGETON, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
December 31, 2003

Assessed value (January 1, 2003)	<u>\$ 432,167,927</u>
Debt limit - 10% of assessed value	\$ 43,216,793
Amount of debt applicable to debt limit - Total bond debt	<u>—</u>
Legal debt margin - City purposes	<u>\$ 43,216,793</u>

Debt Limit

Sections 26(b) and 26(c) of Article VI of the Constitution of Missouri allow the City of Bridgeton, Missouri, to incur indebtedness for *City purposes* in the amount not to exceed ten percent (10%) of the assessed valuation of the taxable, tangible property therein as shown by the last completed assessment for State and County purposes.

Section 26(d) of said Article VI permits the City to become indebted in a sum not exceeding an additional ten percent (10%) of the assessed valuation of the taxable, tangible property within the City for the purpose of acquiring rights of way, constructing, extending, and improving sanitary or storm sewer systems.

Section 26(e) of said Article VI permits the City to incur indebtedness in an amount not to exceed an additional ten percent (10%) for the purpose of paying all or any part of the cost of purchasing or constructing waterworks, electric, or other light plants to be owned exclusively by the City, provided the total general obligation indebtedness of the City shall not exceed twenty percent (20%) of the assessed valuation of taxable, tangible property within the City.

At an election held on November 5, 1974, an attempt was made to amend Section 23(a) of Article VI of the Constitution of Missouri so as to permit cities, such as the City of Bridgeton, to incur indebtedness up to ten percent (10%) of the assessed valuation of the taxable, intangible property within their boundaries for the purpose of purchasing, constructing, extending, or improving plants to be leased or otherwise disposed of pursuant to law to private persons or corporations, for manufacturing, warehousing, and industrial development purposes, including the real estate, buildings, fixtures, and machinery. Previously, said Section 23(a) had denied such power to cities located within any county in the State of Missouri which has 400,000 or more inhabitants according to the last preceding federal decennial census. St. Louis County, Missouri, has well in excess of 400,000 inhabitants. Whether or not Section 23(a) was lawfully amended at the election held November 5, 1974, has not been determined and is open to question.

CITY OF BRIDGETON, MISSOURI

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN YEARS**

Period	Principal	Interest And Fiscal Charges	Total Debt Service	Total General Expenditures (1)	Ratio Of Debt Service To General Expenditures
Year Ended December 31,					
1994	\$ 150,000	\$ 48,800	\$ 198,800	\$ 10,541,649	1.9%
1995	175,000	39,526	214,526	11,991,720	1.8%
1996	175,000	29,380	204,380	11,897,546	1.8%
1997	200,000	18,358	218,358	12,377,000	1.8%
1998	200,000	6,500	206,500	11,840,632	1.7%
1999	—	—	—	12,835,262	—
2000	—	—	—	13,167,901	—
2001	—	—	—	14,369,240	—
2002	—	—	—	14,808,642	—
2003	—	—	—	15,170,145	—

Note: (1) Includes general fund expenditures.

CITY OF BRIDGETON, MISSOURI
ANNUAL CASH CONTRIBUTIONS TO RETIREMENT SYSTEM
LAST TEN YEARS

The Retirement Plan for Employees of City of Bridgeton, Missouri was established as of July 1, 1971, and covers all regular full-time civilian employees and all commissioned police officers of City of Bridgeton. The Plan is financed 100% by City contributions. Under the provisions of this Plan, the normal retirement age for employees is age 60. Five (5) years of service is required for 100% vesting. The retirement benefit is based on age and length of service, with a specified formula which is set forth in the retirement plan document and the authorizing ordinance. The benefit is computed at the rate of 2% of the final average annual earnings multiplied by number of years of service. Final average annual earnings is the average of the five highest paid consecutive years of the last ten plan years prior to retirement. Early retirement is permitted for employees between the ages of 50 and 60, but benefits are reduced.

The funding agency for this retirement program is the Aetna Life Insurance Company. The funding instrument is a group pension deposit administration contract.

Annual cash contributions:

<u>Year Ended</u>	<u>Amount</u>
1994	\$ 268,000
1995	218,000
1996	320,000
1997	310,000
1998	219,000
1999	285,000
2000	234,600
2001	182,000
2002	190,000
2003	252,000

Contributions are paid in the year following the actuarial valuation.

CITY OF BRIDGETON, MISSOURI

BUILDING PERMITS LAST TEN YEARS

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
New construction:										
Number of permits issued	74	45	59	29	35	38	30	46	49	23
Value of construction	\$18,072,951	\$ 23,043,385	\$ 21,631,600	\$ 18,333,778	\$ 37,095,500	\$ 17,757,598	\$ 89,871,542	\$ 15,522,444	\$11,139,993	\$ 8,703,200
Alteration/additions:										
Number of permits issued	110	91	82	114	79	143	123	138	179	130
Value of construction	\$14,426,659	\$ 6,260,273	\$10,039,100	\$11,162,807	\$10,615,229	\$ 12,469,313	\$ 14,424,489	\$ 10,355,015	\$19,399,012	\$25,507,148
Building demolitions:										
Number of permits issued	30	17	24	20	50	21	352	354	326	104

NOTE: (1) Increase in number of building permits issued in 2000 and 2001 is due to the City of St. Louis' expansion of Lambert International Airport into the city limits of Bridgeton.

Source: City of Bridgeton Public Works Department - Annual Report.

CITY OF BRIDGETON, MISSOURI

**BANK DEPOSITS
LAST TEN YEARS**

<u>Year</u>	<u>Amount</u>
1994	\$ 215,723,000
1995	301,506,000
1996	429,758,000
1997	451,268,000
1998	426,000,000
1999	435,097,000
2000	313,380,000
2001	307,112,000
2002	303,675,000
2003	301,664,000

NOTE: Above represents deposits of the four bank facilities located in the City of Bridgeton.

Source: U.S. Bank, St. John's Bank, Union Planters Bank and Bank of America.

CITY OF BRIDGETON, MISSOURI
SALARIES OF PRINCIPAL OFFICIALS - ELECTED,
APPOINTED AND OTHER (MERIT)
December 31, 2003

		<u>Annual Salary (1)</u>
Elected Officials:		
Conrad Bowers	Mayor	\$ 15,000
Linda Eaker	Council - Ward I	\$ 4,200
Vincent LoBosco	Council - Ward I	\$ 4,200
Gussie Lorenzen	Council - Ward II	\$ 4,200
Tom Fehrenbacher	Council - Ward II	\$ 4,200
Andrew Kasprzyk	Council - Ward III	\$ 4,200
Christine Waitman	Council - Ward III	\$ 4,200
Terry Borton	Council - Ward IV	\$ 4,200
Barbara Abram	Council - Ward IV	\$ 4,200
Joseph Larrew	Judge	\$ 20,000
Appointed Officials:		
Thomas J. Haun	Administrative assistant (director of purchasing, budget officer and personnel director)	\$ 82,555
Richard Houchin	City engineer/director of public works	\$ 89,282
Walter Mutert	Chief of police	\$ 79,031
Carol Stahlhut	City clerk	\$ 49,596
David Linenbroker	City attorney	\$160 per hour
Rob Schultz	Assistant city attorney (prosecutor)	\$ 19,849
Susan Risinger	Court clerk	\$ 45,856
Other (Merit):		
Walt Siemsglusz	Director of parks and recreation	\$ 72,238
Dennis J. Rainey	Finance officer	\$ 78,295

NOTE: (1) Annual salary as of December 31, 2003.

CITY OF BRIDGETON, MISSOURI
MISCELLANEOUS STATISTICAL DATA

Date Incorporated	Date Of Adoption Of City Charter	Form Of Government
February 27, 1843	October 25, 1966	Mayor-Council

Area	Miles Of Streets	Miles Of Sidewalks	Street Lights
17.0 Square Miles	62	120	1,047

Population	Number Of Households	Per Capita Income	Registered Voters
15,550	3,560	\$17,245	8,168

Police Protection	Employees
Number of employees: Commissioned officers: 57 Other full-time employees: 12 Police stations: 1	(Including police department) Full-time - under merit system: 135 Full-time - not under merit system - appointed: 5

Fire Protection	Parks And Recreation
The City's coverage is provided by four fire districts: Pattonville - Bridgeton Terrace Fire Protection District Robertson Fire Protection District West Overland Fire Protection District Maryland Heights Fire Protection District	Public Parks: 11 Acres of parks: 204 Other facilities: 1 community center containing 10,000 square foot gymnasium; indoor swimming pool, 6-lane, 25 yards; 2 racquet-ball courts; meeting rooms; locker rooms; senior citizens' nutrition center One 9-hole golf course, 9 tennis courts, 19 ball diamonds, 1 outdoor municipal pools.

City's Bond Rating - "A" - rated by Moody's Investment Service Incorporated.

The major part of the City of Bridgeton is served by the Pattonville R-3 School District and the Hazelwood R-1 School District. Both public school districts are classified AAA.

CITY OF BRIDGETON, MISSOURI

Miscellaneous Statistical Data (Continued)

The City's electric power is supplied by AmerenUE, natural gas is supplied by Laclede Gas, water is supplied by American Water Company, and sewer service is provided by Metropolitan St. Louis Sewer District. All four of these utilities are publicly held utilities.

DePaul Hospital is located within the City of Bridgeton and is a full-service, 577 bed institution. The library serving the Bridgeton area is the Bridgeton Trails Library, administered and operated by St. Louis County Library system. There are 20 churches, 15 hotels/motels and 25 shopping centers located within the City of Bridgeton.

Principal Real Estate Taxpayers	Type Of Business	2003 Assessed Value	Percent Of Total Assessed Valuation
1. Terra Venture	Real estate	\$ 6,580,030	2.0%
2. Radisson Hotels	Hotel service	5,840,290	1.8%
3. AmerenUE	Electric utility	5,303,319	1.6%
4. Manheim Services Corp.	Auto auction	5,173,090	1.6%
5. Hussmann Refrigeration	Manufacturer	5,120,000	1.6%
6. Schnucks Markets, Inc.	Retail	4,876,330	1.5%
7. Olympia Properties	Real estate	4,246,490	1.3%
8. Watson 66 Development	Real estate	3,840,000	1.2%
9. Metropolitan Life Ins. Co.	Insurance company	3,778,500	1.2%
10. Love, Andrew Sproule, Jr.	Real estate	3,679,230	1.1%
		<u>\$ 48,437,279</u>	<u>14.9%</u>

Principal Taxpayers

(All taxes including property, local sales tax and gross receipt tax)

1. AmerenUE	Electric utility
2. Laclede Gas Company	Natural gas utility
3. Southwestern Bell Telephone Co.	Telephone utility
4. Wal-Mart	Retail
5. K-Mart	Retail
6. Gate Gourmet.	Airline catering
7. Best Buy	Retail
8. Holiday Inns, Inc.	Hotel service
9. Home Depot	Retail
10. Target Stores, Inc.	Retail

Major Employers Within The City Of Bridgeton

		Approximate Number Of Employees
1. DePaul Health Center	Healthcare	2,500
2. Hussmann Refrigeration	Manufacturer	1,800
3. Western Union	Telegraphy	900
4. National Vendors	Manufacturer	750
5. Direct Mail Corp.	Marketing/Mail	430
6. Hunter Engineering Co.	Engineering/Mfg.	300
7. Gate Gourmet.	Airline catering	250
8. Home Depot	Retail	250
9. Holiday Inns	Hotel	240
10. Wal-Mart	Retail	200

CITY OF BRIDGETON, MISSOURI

Miscellaneous Statistical Data (Continued)

Area, Population And Employment

Year	Area In Square Miles	Estimated Population
1994	17	17,732
1995	17	17,732
1996	17	17,732
1997	17	17,732
1998	17	17,732
1999	17	17,732
2000	17	15,550 ⁽¹⁾
2001	17	15,550
2002	17	15,550
2003	17	15,550

(1) 2000 Census

Utility Customers

Year	Electric Meters ⁽¹⁾	Gas Meters ⁽²⁾	Water Meters ⁽³⁾	Telephone ⁽⁴⁾
1994	8,552	7,131	5,764	28,943
1995	8,480	7,126	5,815	30,294
1996	8,505	7,127	5,856	30,742
1997	8,531	7,125	5,819	32,906
1998	8,359	7,141	5,833	33,856
1999	8,412	6,883	5,742	34,181
2000	7,903	6,677	5,353	32,964
2001	7,194	6,069	6,424	31,066
2002	7,090	5,755	4,761	28,704
2003	6,868	5,564	5,257	25,090

Source: (1) AmerenUE
(2) Laclede Gas Company
(3) American Water Company
(4) Southwestern Bell Telephone Company

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