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Comprehensive Annual Financial Report, 2004

City of Bridgeton

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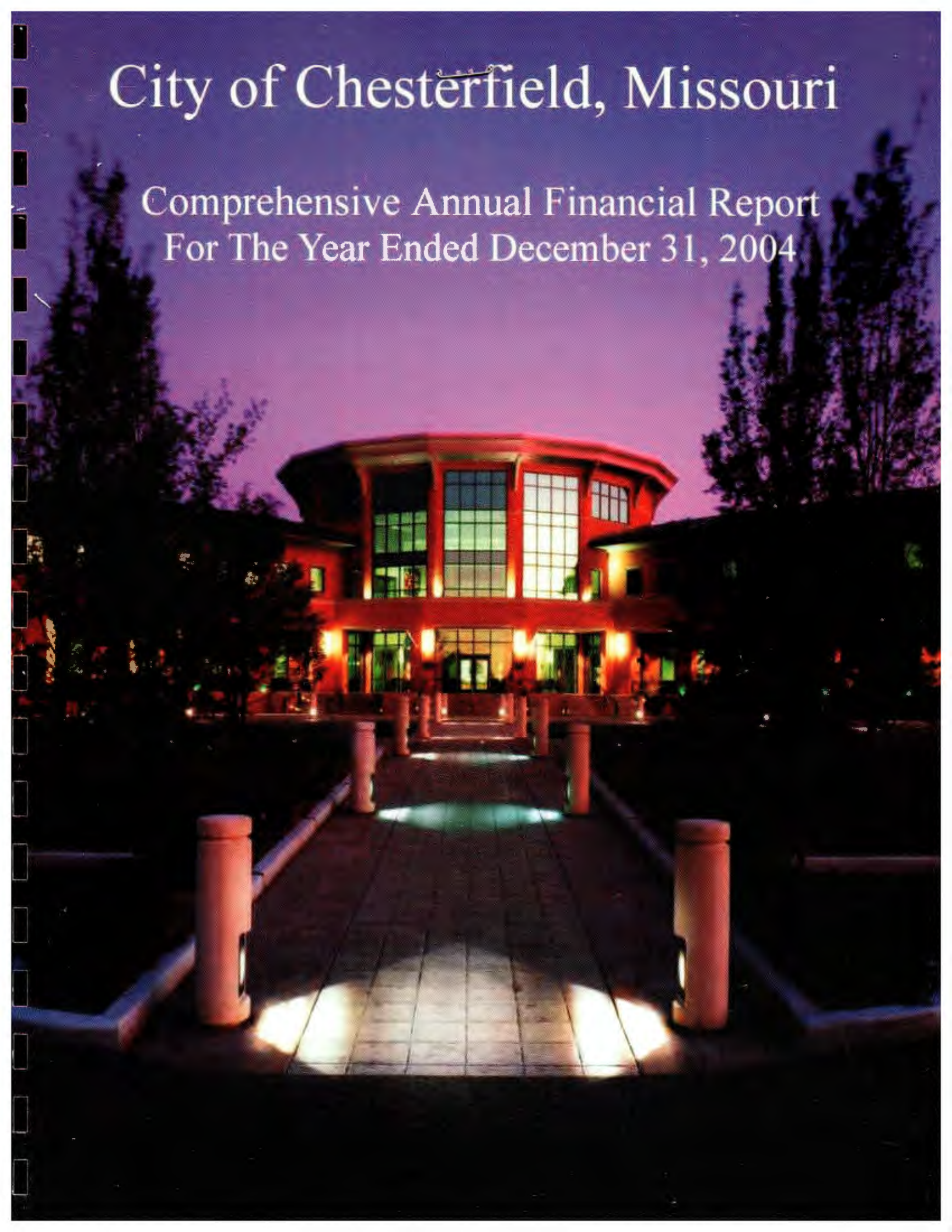
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City of Chesterfield, Missouri

Comprehensive Annual Financial Report
For The Year Ended December 31, 2004



CITY OF CHESTERFIELD, MISSOURI

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2004

Report prepared and submitted by the
Finance and Administration Department

INTRODUCTORY SECTION	<u>Page(s)</u>
Letter of Transmittal	1 - 6
Certificate of Achievement for Excellence in Financial Reporting	7
City Officials	8
Organization Chart	9
FINANCIAL SECTION	
Independent Auditors' Report	10 - 11
Management's Discussion and Analysis - Required Supplementary Information	12 - 21
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	22
Statement of Activities	23
Fund Financial Statements:	
Balance Sheet - Governmental Funds	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Fiduciary Net Assets - Fiduciary Funds	28
Notes to Basic Financial Statements	29 - 45
	<u>Schedule</u> <u>Page(s)</u>
Budgetary Comparison Information - Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	1 46 - 48
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Chesterfield Valley Tax Increment Financing Fund - Special Revenue Major Fund - Unaudited	2 49

CITY OF CHESTERFIELD, MISSOURI
 Comprehensive Annual Financial Report
 Table of Contents

December 31, 2004

FINANCIAL SECTION (Continued)	<u>Schedule</u>	<u>Page(s)</u>
Budgetary Comparison Information - Required Supplementary Information (continued):		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Improvement Sales Tax Trust Fund - Special Revenue Major Fund - Unaudited	3	50
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Unaudited		51 - 52
Combining and Individual Fund Financial Statements and Schedules - Other Supplementary Information:		
Combining Balance Sheet - Nonmajor Governmental Funds	4	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	5	55
Combining Balance Sheet - Nonmajor Debt Service Funds	6	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds	7	57
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
Debt Service Funds - Nonmajor:		
Parks 1998	8	58
Public Works Facility 1995 and 2002	9	59
R & S 1997 and 1999	10	60
City Hall	11	61
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Project Fund - Capital Project Major Fund	12	63
Combining Statement of Fiduciary Net Assets - Agency Funds	13	64
Combining Statement of Changes in Assets and Liabilities - Agency Funds	14	65

CITY OF CHESTERFIELD, MISSOURI
Comprehensive Annual Financial Report
Table of Contents

December 31, 2004

STATISTICAL SECTION	<u>Table</u>	<u>Page(s)</u>
Government-wide Information:		
Government-wide Expenses by Function	1	66
Government-wide Revenues by Source	2	67
Fund Information:		
General Governmental Expenditures by Function - Last Ten Fiscal Years	3	68
General Governmental Revenues by Source - Last Ten Fiscal Years	4	69
Municipal Tax Revenues by Source - Last Ten Fiscal Years	5	70
Intergovernmental Revenues by Source - Last Ten Fiscal Years	6	71
Licenses and Permits - Last Ten Fiscal Years	7	72
Charges for Services - Last Ten Fiscal Years	8	73
Assessed and Estimated Actual Value of Taxable Property	9	74
Property Tax Rates - Direct and Overlapping Governments	10	75
Property Tax Levies and Collections - Last Nine Fiscal Years	11	76
Legal Debt Margin	12	77
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures - Last Nine Fiscal Years	13	78
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Fiscal Years	14	79
Computation of Direct and Overlapping Debt	15	80
Building Permits and Construction - Last Ten Fiscal Years	16	81
Bank Deposits - Last Ten Fiscal Years	17	82
Schedule of Insurance in Force	18	83
Salaries and Surety Bonds of Principal Officials	19	84
Miscellaneous Statistical Data	20	85 - 86



Introductory Section



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March 25, 2005

To the Honorable Mayor, Members
of the City Council, and Citizens
of the City of Chesterfield, Missouri:

State law and local ordinances require that all general-purpose local governments publish a complete set of financial statements presented in conformance with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Chesterfield, Missouri, for the fiscal year ended December 31, 2004. This year's CAFR is the third year that the City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. The format and the purpose of these changes are addressed in the Management's Discussion and Analysis (MD&A).

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 City Officials, and the City's organizational chart.
2. The *Financial Section* includes the independent auditors' report, Management's Discussion and Analysis, 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 City for the past ten years, information on overlapping governments, demographic information, and other miscellaneous information.

Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City of Chesterfield, Missouri has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Chesterfield, Missouri's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Chesterfield, Missouri's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statement will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Hochschild, Bloom & Company LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended December 31, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Chesterfield, Missouri's financial statements for the fiscal year ended December 31, 2004, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditors' Report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The Standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal control and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

Profile of the City

The City is located on the western edge of St. Louis County. The City currently occupies a land area of 32 square miles and serves a population of 46,802 residents. The City enjoys a balance of residential neighborhoods and concentrated retail centers including a regional shopping center and one of the largest retail power centers in the county known as Chesterfield Commons.

The City was incorporated under Missouri law as a third class City on June 1, 1988 and has operated under a mayor/council/administrator form of government since then. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and eight City Council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Administrator, City Attorney, Judge, and Prosecuting Attorney. The City Administrator is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The City Council is elected on a non-partisan basis. Council members serve two-year staggered terms, with four Council members elected each year. The Mayor is elected at large to serve a four-year term.

The City provides a full range of municipal services. These services include legislative, administrative, police services, judicial, planning, public works, and parks and recreation.

The City's financial reporting entity consists of the City and its discretely presented component unit, the Chesterfield Community Development Corporation (CCDC). The members of the governing board of CCDC are appointed by the Mayor. Although the City cannot "impose its will" on CCDC, the City of Chesterfield, Missouri provides a material subsidy to the CCDC primarily to finance the operations of the organization. Together, the City and CCDC form the reporting entity for financial reporting purposes. The accompanying financial data presented for the CCDC reflect the twelve months of activity through June 30, 2004.

Complete financial statements of the CCDC can be obtained from their administrative offices at 1422 Elbridge Payne Road, Suite # 190, Chesterfield, Missouri 63017.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Director of Finance and Administration each year. The Director of Finance and Administration uses these requests as the starting point for developing a proposed budget. The City Administrator then presents this proposed budget to the City Council for review. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than December 31, the close of the City of Chesterfield, Missouri's fiscal year. The appropriated budget is prepared by fund and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriate annual budget has been adopted. For the General Fund, this comparison is presented on pages 46 through 48 as required supplementary information. For governmental funds, other than the General Fund, with appropriated annual budgets, comparisons for Special Revenue Funds are found in required supplementary information which begins on page 51 and comparisons for the budgeted Capital Project and Debt Service Funds are found in other supplementary information which begins on page 58.

Factors Affecting Financial Condition

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

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

The City also has a strong retail base with Chesterfield Mall, which is one of the largest suburban shopping centers in the metropolitan St. Louis area, and a diversity of shops and restaurants in neighboring shopping centers. Chesterfield Mall now has over 1.9 million square feet of enclosed suburban shopping space, including three anchor stores (Dillard's, Famous Barr, and Sears), 30 restaurants, and more than 145 boutiques, shops, stores, and services. During 2004, Chesterfield Mall began development of a new wing of the center to include a 14 screen AMC Theater and new entertainment shops.

The City's western corridor, referred to as Chesterfield Valley, has expanded dramatically over the last several years with retail, light industrial, and office/warehouse facilities. Chesterfield Valley has made a dramatic comeback from the flood of 1993. The Monarch-Chesterfield levee, which protects Chesterfield Valley, has been restored to its original 100-year level of protection. The City is working with the Monarch-Chesterfield Levee District to complete the construction of a 500-year levee. The City Council has designated Chesterfield

Valley as a tax increment financing ("TIF") district. With the assistance of tax increment financing, the Monarch-Chesterfield Levee District and the City are raising the 11 miles of levee surrounding Chesterfield Valley to a 500-year flood event level. In addition, the City, using Economic Development Act ("EDA") grant funds, installed pumps in Chesterfield Valley to dramatically improve interior drainage. The pumps and 500-year levee will further protect the Chesterfield Valley from flood waters and are expected to promote increased economic growth and development. Two large commercial projects, Chesterfield Commons (2,000,000 square feet of retail) and Chesterfield Groves (186,000 square feet of mixed use) have been completed or are currently being completed in Chesterfield Valley. Wal-Mart, Target Greatland, World Market, Shoe Carnival, Lowe's Home Improvement Center, Sam's Club, Linens N' Things, Office Max, Michael's, Petsmart, Payless Shoes, Radio Shack, Best Buy, Red Robin, Longhorn Steakhouse, Subway, Old Country Buffet, Babies 'R Us, Red Lobster, St. Louis Bread Company, Olive Garden, O'Charley's, Wherenberg Theaters, the Home Depot, and many others have all located to Chesterfield Commons.

Based on current projections, continued development of the entire City is inevitable. The growth in assessed valuation of the City bears out this fact. The City's assessed valuation of \$1,377,927,540 as of January 1, 2004 represents an increase of 1.4% from \$1,359,291,971 as of January 1, 2003, and an increase of 196% from \$465,549,049 as of January 1, 1988 at the time of the City's incorporation.

Long-term financial planning. The City confines long-term borrowing to capital improvements or projects that cannot be financed from current revenues, and where the issuance of long-term debt is required, it pays back the bonds within a period not to exceed the expected useful life of the project. Highlighted below are the actions of the City regarding the City's long-term needs.

The voters of the City approved a ½ cent capital improvement sales tax for street and sidewalk improvements in 1997. These funds are being used to repay debt on the general obligation bonds approved at the same time for major reconstruction projects. In addition, the sales tax will be used to fund major street and sidewalk improvements in the future. It is anticipated that approximately \$2.5 million dollars will be available from the ½ cent sales tax to fund continued major street and sidewalk improvements well into the future.

The City plans to continue to explore options based on a recent survey of residents in the area of park improvements performed by Leisure Vision. Some of the recommendations coming out of the study include exploring opportunities to partner with St. Louis County, Missouri and private providers of recreation services, pursuing opportunities to acquire open space in the City, and providing walking paths and an outdoor amphitheatre and lake in the Central City Park. In response to these efforts, voters passed a ½ cent sales tax for parks in November of 2004. This sales tax will take effect in April of 2005, and the proceeds will be utilized to finance acquisition of land and capital amenities for parks and trails.

The City also plans to complete the "Pathway Around the Parkway" (Chesterfield Parkway) project and a Highway 340 highway beautification project during the summer of 2005. The cost for both of these projects are funded through transfers out of the Capital Improvement Sales Tax Trust Fund and offset by one-time federal grants provided under the Transportation Efficiency Act.

Cash management policies and practices. Cash temporarily idle during the year was invested in obligations of the U.S. treasury and repurchase agreements. The maturities of the investments range from overnight to 3 years, with an average maturity of 12 months. The average yield on investments was 1.8% for the City. Investment income includes appreciation in the fair value of investments. Increases in the fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity.

Risk Management. The City is a member of a public entity risk pool comprised of various municipalities in St. Louis County, Missouri. This pool covers workers' compensation and liability exposures (St. Louis Area Insurance Trust - SLAIT). The purpose of this pool is to share the cost of self-insurance with other similar cities. The Daniel & Henry Company provides claims administration for the trust. Additional information on the City of Chesterfield, Missouri's risk management activity can be found in Note 8 of the notes to the basic financial statements.

Debt Administration. At year-end, the City had five debt issues outstanding. These issues include \$7,520,000 in general obligation bonds for parks, \$2,000,000 in certificates of participation related to the City's capital lease obligation for the construction of a Public Works Facility, \$9,265,000 in general obligation bonds for streets and sidewalks, \$13,055,000 in general obligation bonds for streets and sidewalks, and \$15,820,000 in certificates of participation related to the City's capital lease obligation for the City's City Hall. The City also had a series of notes to the Monarch-Chesterfield Levee District for levee and storm water improvements in Chesterfield Valley, most of which were refunded with a Tax Increment Financing Refunding and Improvement Revenue Bonds issued in April of 2002. The outstanding amounts of these notes were for \$5,950,903 and TIF Bonds totaled \$38,885,000.

Retirement Plan. The City of Chesterfield sponsors a single-employer defined contribution retirement plan for its employees. All employees are eligible to participate in the plan after they have completed one year of service and attained the age of 18. Per City ordinance, the City contributes an amount equal to 8% of compensation of eligible participants. No contribution is required from employees. All employees vest 20% after three years of service and an additional 20% per year thereafter, making the employees fully vested after seven years of credited service. The City's contribution for 2004 was \$590,234 or 8% of covered payroll less any forfeitures from terminated non-vested employees. Total covered payroll for the year was \$7,951,078 or 88% of the City's total payroll of \$9,047,651.

Additional information on the City of Chesterfield, Missouri's pension arrangements can be found in Note 10 in the notes to the basic financial statements.

Awards and Acknowledgements

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the City for its comprehensive annual financial report (CAFR) issued for the fiscal year ended December 31, 2003. This was the fifteenth consecutive year the City has received this prestigious award, an impressive accomplishment for the City's fourteenth full year of operation. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both U.S. generally accepted accounting principles and applicable legal requirements.

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

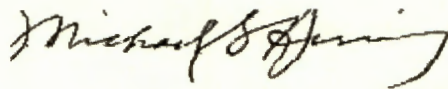
In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2004. This was the fourteenth consecutive year that the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document met the program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of this report would not have been completed without the efficient and dedicated services of the entire administrative staff of the various departments of the City. We would like to especially acknowledge the dedicated services and assistance of the staff members in the Finance and Administration Department. The Finance and Administration

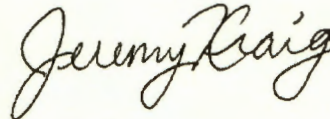
staff members were key components of maintaining the City's accounting systems and their contribution was invaluable.

We would also like to thank our auditors, Hochschild, Bloom & Company LLP, for their help in formulating this report. Our sincere gratitude is extended to you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Michael G. Herring
City Administrator



Jeremy T. Craig
Director of Finance & Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chesterfield,
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

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.



Nancy L. Ziehl

President

Jeffrey R. Enos

Executive Director

CITY OF CHESTERFIELD, MISSOURI

City Officials

MAYOR

John Nations

COUNCIL MEMBERS

Ward 1:

Barry Flachsbart

Jane Durrell

Ward 2:

Barry Streeter

Bruce Geiger

Ward 3:

Daniel Hurt

Mike Casey

Ward 4:

Mary K. Brown

Connie Fults

CITY ADMINISTRATOR

Michael G. Herring

**DIRECTOR OF FINANCE AND
ADMINISTRATION**

Jeremy Craig

CITY CLERK

Marty DeMay

POLICE CHIEF

Ray Johnson

DIRECTOR OF PLANNING

Teresa Price

DIRECTOR OF PUBLIC WORKS

Michael O. Geisel

CITY ATTORNEY

Douglas R. Beach

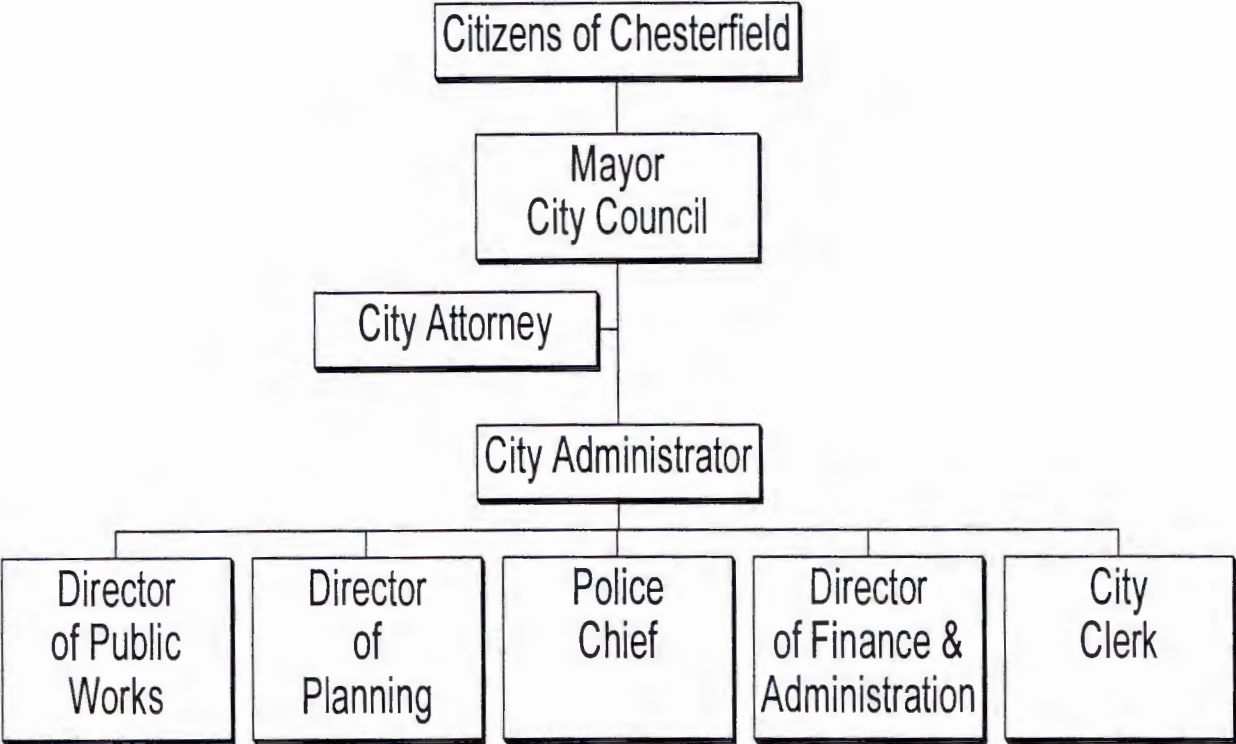
JUDGE

Richard K. Brunk

PROSECUTING ATTORNEY

Tim Engelmeyer

CITY OF CHESTERFIELD, MISSOURI
Organizational Chart
2004





E City of
Chesterfield

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100



Financial Section



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

INDEPENDENT AUDITORS' REPORT

March 25, 2005

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF CHESTERFIELD, MISSOURI** (the City) as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2004, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, therefore, express no opinion therein.

Hochschild, Bloom + Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

Management's Discussion and Analysis

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2004

As management of the City of Chesterfield, Missouri, we offer readers of the City of Chesterfield's financial statements this narrative overview and analysis of the financial activities of the City of Chesterfield, Missouri for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report along with the City's financial statements, including the footnotes that follow this Management's Discussion and Analysis.

Financial Highlights

- On a government-wide basis the assets of the City of Chesterfield exceeded its liabilities for the most recent fiscal year by \$100,246,884. The City has a deficit in unrestricted net assets totaling (\$33,197,547) due to \$44,835,903 in TIF Refunding and Improvement Revenue Bonds outstanding at year-end for infrastructure assets not owned by the City.
- As of the close of the current fiscal year, the City of Chesterfield's governmental funds reported combined ending fund balances of \$42,718,277, a decrease of \$404,593 in comparison with the prior year. Approximately 24.7% of this total amount or \$10,556,704 is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$10,817,879 or 68.4% of total General Fund expenditures.
- The City of Chesterfield's total long-term debt decreased by \$5,802,126 or 6.2% during the current fiscal year.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The *statement of net assets* presents information on all of the City of Chesterfield'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 of Chesterfield, Missouri is improving or deteriorating.

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

The government-wide financial statements distinguish functions of the City of Chesterfield, Missouri that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Chesterfield, Missouri include general government, parks and recreation, judicial,

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2004

planning, public works, public safety, and community development. The City of Chesterfield, Missouri does not have any business-type activities.

The government-wide financial statements include not only the City of Chesterfield, Missouri itself (known as the *primary government*), but also a legally separate Chesterfield Community Development Corporation, discretely presented, for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 22 through 23 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 of Chesterfield, Missouri, 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 of Chesterfield, Missouri can be divided into two categories: governmental funds and fiduciary funds. It should be noted that the City of Chesterfield, Missouri does not have any proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and the government-wide *governmental activities*.

The City of Chesterfield, Missouri maintains several 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 Fund, Chesterfield Valley Tax Increment Financing Fund, Capital Improvement Sales Tax Trust Fund, TIF Bond Fund, TIF Bond Debt Service Fund, and Capital Project Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the other supplementary information section in this report.

The City of Chesterfield, Missouri adopts an annual appropriated budget for its General Fund, Chesterfield Valley Tax Increment Financing Special Revenue Fund, Capital Improvement Sales Tax Trust Special Revenue Fund, Parks 1998 Debt Service Fund, Public Works Facility 1995 and 2002 Debt Service Fund, R&S 1997 and 1999 Debt Service Fund, City Hall Debt Service Fund, and Capital Project Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental fund financial statements can be found on pages 24 through 27 of this report.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2004

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Chesterfield, Missouri's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The statement of fiduciary net assets can be found on page 28 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29 through 45 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found on pages 46 through 52 of this report.

Other Supplementary Information

The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 53 through 65 of this report.

Government-wide Financial Analysis—Financial Analysis of the City as a Whole

This is the third year that the City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Therefore, a comparative analysis of government-wide data is also included in this report.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Chesterfield, Missouri, the net assets of \$100,246,884 increased in 2004 by approximately 5.8% as compared to the previous year.

At the end of 2004, the City of Chesterfield, Missouri had positive balances in two of its categories of net assets (invested in capital assets, net of related debt and restricted net assets), however, its unrestricted net assets had a deficit balance of \$33,197,547.

The largest portion of the City of Chesterfield, Missouri's net assets, \$102,724,442 in 2004 (up approximately 2.2% from 2003), reflects its investment in capital assets (e.g. land, infrastructure, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Chesterfield, Missouri uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending. Although the City of Chesterfield, Missouri's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2004

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Assets		
Current and other assets	\$ 46,213,045	46,448,337
Capital assets, net	150,627,748	150,839,883
Total assets	<u>196,840,793</u>	<u>197,288,220</u>
Liabilities		
Long-term liabilities	93,479,298	99,281,424
Other liabilities	3,114,611	3,229,427
Total liabilities	<u>96,593,909</u>	<u>102,510,851</u>
Net Assets		
Invested in capital assets, net of related debt	102,724,442	100,479,329
Restricted	30,719,989	30,772,578
Unrestricted	(33,197,547)	(36,474,538)
Total net assets	<u>\$ 100,246,884</u>	<u>94,777,369</u>

An additional portion of the City of Chesterfield, Missouri's net assets, \$30,719,989 in 2004, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

The remaining category of the City of Chesterfield, Missouri's net assets represents a deficit *unrestricted net assets* balance of (\$33,197,547) in 2004. This deficit is the result of the balance of \$44,835,903 in TIF Refunding and Improvement Revenue Bonds Series 2002 outstanding at year-end for infrastructure assets not owned by the City. The TIF Refunding and Improvement Revenue Bonds Series 2002 are limited obligations of the City and are funded only by incremental revenues generated within the TIF district.

Governmental Activities

Governmental activities increased the City of Chesterfield, Missouri's net assets by \$5,469,515. Key elements of this are as follows:

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2004

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003 Restated</u>
Revenues:		
Program revenues:		
Charges for services	\$ 2,382,363	2,170,814
Federal and state grants	4,371,460	6,298,291
General revenues:		
Taxes	28,490,375	25,680,498
Investment income	524,489	486,186
Miscellaneous	284,068	299,820
Total revenues	<u>36,052,755</u>	<u>34,935,609</u>
Expenses:		
General government	2,732,076	2,626,072
Parks and recreation	1,819,602	1,759,887
Judicial	177,183	169,118
Planning	592,138	588,615
Public works	12,830,243	14,763,996
Public safety	6,694,462	6,540,437
Community development	139,090	179,090
Interest and fiscal charges	5,598,446	4,594,305
Total expenses	<u>30,583,240</u>	<u>31,221,520</u>
Change in net assets	<u>5,469,515</u>	<u>3,714,089</u>
Ending net assets	<u>\$ 100,246,884</u>	<u>94,777,369</u>

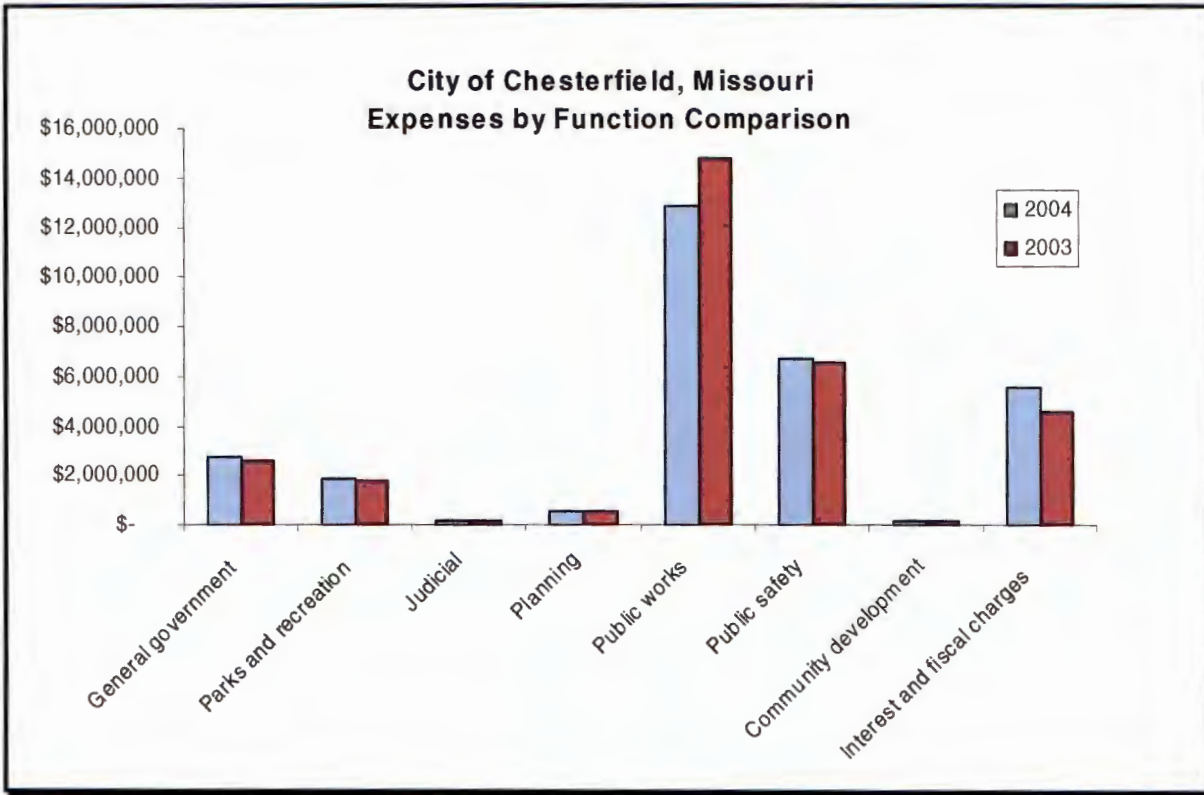
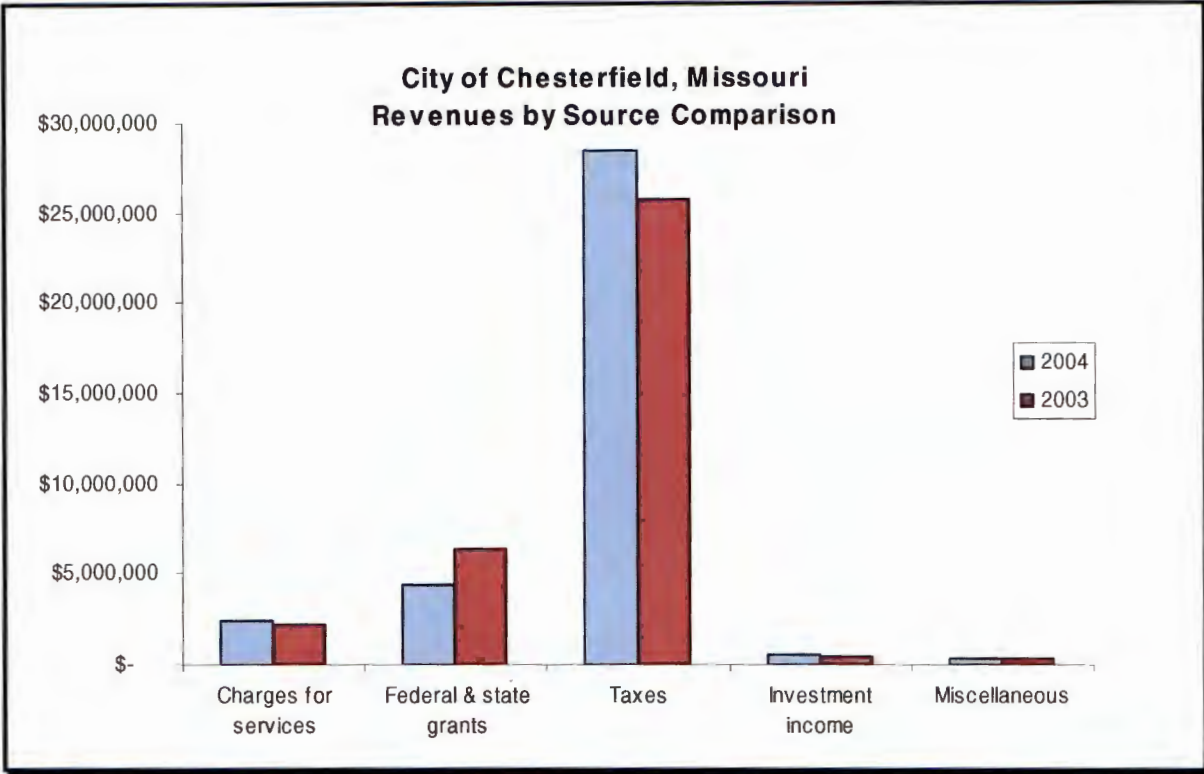
Changes in Net Assets

In 2004, the City of Chesterfield, Missouri's total revenue on a government-wide basis was \$36,052,755, an increase of \$1,117,146 as compared to 2003 restated. This increase was primarily attributable to increased property tax and sales tax revenues in the Chesterfield Valley TIF District of \$713,766 and \$487,117, respectively.

Expense for capital projects in Public Works had decreased by \$1,933,753 in 2004, as compared to 2003 due to the timing of the projects. As a result, these expenses will be increased in 2005.

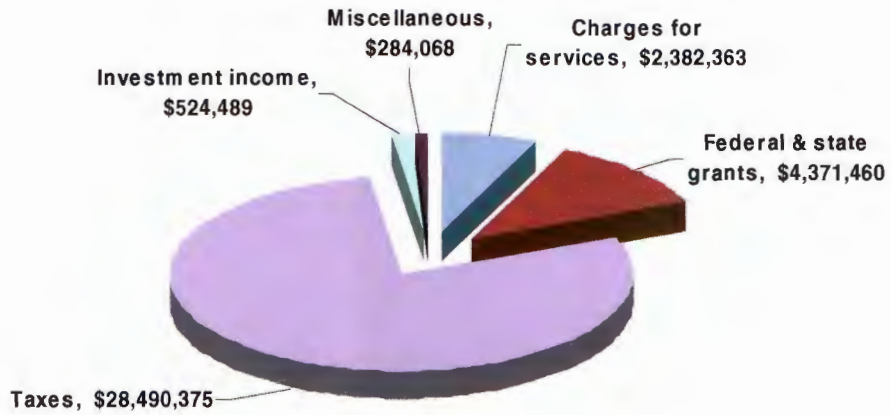
In 2003, the loss on sale of capital assets was reported in general revenues as opposed to general government expenses. For comparison purposes, 2003 revenues and expenses were appropriately adjusted.

**City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2004**

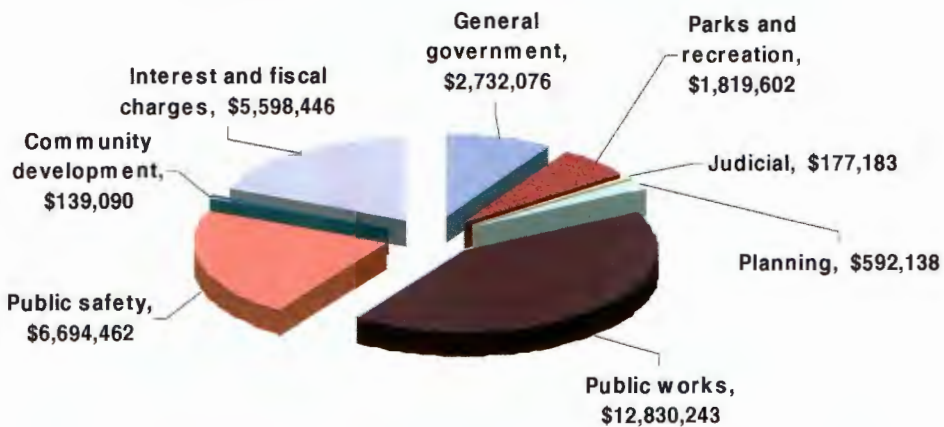


**City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2004**

**City of Chesterfield, Missouri
Revenues by Source for Fiscal Year 2004**



**City of Chesterfield, Missouri
Expenses by Function for Fiscal Year 2004**



City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2004

Financial Analysis of the City of Chesterfield, Missouri's Funds

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

Governmental Funds

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

General Fund

At the end of year 2004, the unreserved fund balance of the General Fund was \$10,817,879, while the total fund balance was \$11,182,439. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 62.3% of total General Fund expenditures and transfers out of \$17,352,231, while total fund balance represents 64.4% of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund decreased by \$377,021 or 3.3% from the prior year fund balance. The change of the current year's fund balances are mainly due to:

- Utility gross receipts fell short of expectation due to a significant decline in telephone utility taxes as land line telephone usage continues to decline.
- Interest from investment was down significantly due to record low short-term interest rates and the maturity of the City's long-term investments purchased when rates were higher.

Other Major Governmental Funds

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

- Chesterfield Valley Tax Increment Financing Fund increased by \$1,194,994 or 10.1%. This increase was the result of strong property tax revenues due to new construction. At the end of December 31, 2004, the unreserved fund balance and total fund balance was \$13,049,816.
- Capital Improvement Sales Tax Trust Fund decreased by \$237,959 or 13.4%. This decrease was a result of a \$2,286,908 transfer out to Capital Project Fund for street and sidewalk replacements, and \$2,120,255 transfer out to other governmental nonmajor funds to pay for principal and interest for R&S Debt Service Funds.
- TIF Bond Fund ended the year 2004 with an unreserved fund balance of \$7,928,591. This increase of \$161,865 from the previous year was a chained-result of the increased property tax and sales tax revenues in the Chesterfield Valley TIF District as mentioned above. The City also had bond redemption in the amount of \$6,135,000 during year 2004; this amount is part of principal payment to TIF bond debt service.
- TIF Bond Debt Service Fund ended the year 2004 with an unreserved fund balance of \$6,675,059 or an increase of \$366,711 due to increased property tax revenues in the TIF District.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2004

Fiduciary Funds

The City maintains Agency Funds for monies received and held for the benefit of others for the following purposes:

- Bond deposits held to ensure a defendant's appearance in court.
- Proceeds received in connection with a joint program sponsored by the City and the local explorer's post.
- Collection and release of the monies for future road way improvements to ensure completion of the projects.
- Collection and release of monies in connection with various permits issued for construction projects.

At the end of 2004, cash and cash equivalents had decreased \$91,992 (to \$1,800,136) from year 2003 due to normal activity.

Capital Assets

The City has invested \$150,627,748 in a broad range of capital assets, including park facilities, roads, buildings, machinery and equipment, and automobiles and trucks. This amount represents a net decrease for the current fiscal year (including additions and deductions) of \$212,135. In 2004, the City added:

	<u>Capital Assets, Net of Depreciation</u>	
	<u>2004</u>	<u>2003</u>
Land	\$ 14,242,781	13,012,885
Right-of-way	73,303,530	73,137,680
Buildings and other improvements	19,975,976	20,500,057
Machinery and equipment	1,812,376	1,936,794
Automobiles and trucks	1,310,735	1,528,440
Infrastructure (including construction in progress)	39,982,350	40,724,027
Total	<u>\$ 150,627,748</u>	<u>150,839,883</u>

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

Long-Term Debt

At the end of December 2004, the City had outstanding long-term debt obligations for governmental activities in the amount of \$92,495,903 compared to \$99,006,059 in 2003. Of this amount, \$29,840,000 is general obligation bonds and \$44,835,903 is tax increment financing notes payable and bonds. Capital lease obligations outstanding totaled \$17,820,000. The 6.6% decrease in the City's long-term debt obligations due to the City's Advanced Refunding Certificates of Participation Series 2000 and reissued Certificate of Participation Series 2004. As a result, the City was able to save money upfront. Additionally, the City issued an addition of \$2,720,298 to the Levee District Note Series 2002 that was endorsed on February 7 and September 3, 2004.

The City's governmental activities debt is detailed below:

**City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2004**

**Outstanding Long-Term Debt Obligations
December 31, 2004**

	<u>2004</u>	<u>2003</u>	<u>% Change</u>
Certificate of Participation Series 2002	\$ 2,000,000	2,155,000	(7.2%)
Certificate of Participation (Government Center) Series 2004	15,820,000	16,895,000	(6.4)
General Obligation Bonds (R&S) Series 1997	9,265,000	9,765,000	(5.1)
General Obligation Bonds (R&S) Series 1999	13,055,000	13,570,000	(3.4)
General Obligation Bonds (Park) Series 1998	7,520,000	8,030,000	(6.4)
Levee District Note (Phase III)	5,950,903	3,571,059	66.6
TIF Refunding & Improvement Bonds	<u>38,885,000</u>	<u>45,020,000</u>	(13.7)
Total	\$ <u>92,495,903</u>	<u>99,006,059</u>	(6.6%)

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

Significant Variances between Budgets and Actual Expenditures

In the General Fund, the following significant variances occurred between budget, amended budget, and actual expenditures:

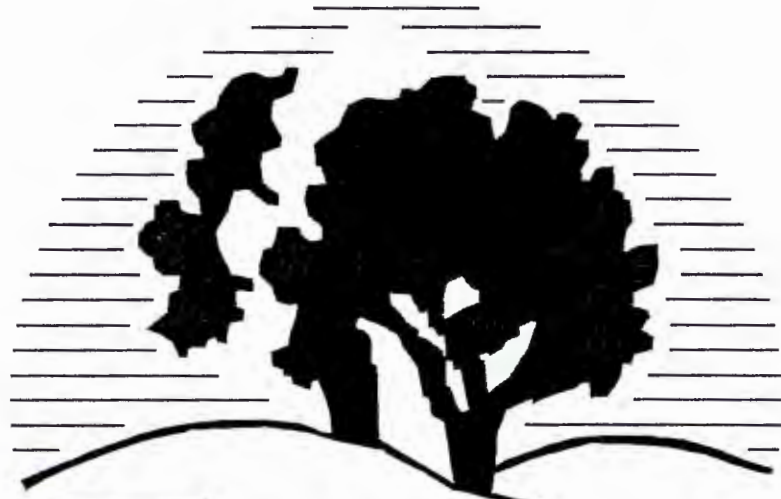
- Central services had \$92,067 under budget in contractual services due to savings realized in insurance premiums, a positive performance in workers' compensation and property insurance activity.
- Police department had \$175,276 under budget in personal services due to two budgeted positions remaining open for large parts of the year and two positions paid lower than budget as trainees completed the police academy.
- Streets division had \$61,136 over budget in personal services due to temporary workers used to complete street work. Contractual services were \$110,432 under budget due to a reduction of salt purchases. The City purchased less salt during 2004 as a result of having a high level of salt inventory from the previous year.

Economic Factors and Next Year's Budget

A mild recovery in retail activity combined with new store openings has led to an optimistic outlook for 2005, as sales and property taxes should increase. Next year's budget reflects the new ½ cent sales tax for parks and trails that will provide new revenues for parks operations and lead to a balanced budget for the City.

Requests for Information

This financial report is designed to provide a general overview of the City of Chesterfield, 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 Director of Finance and Administration, 690 Chesterfield Parkway West, Chesterfield, MO 63017-0760.



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Chesterfield

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Basic Financial Statements

CITY OF CHESTERFIELD, MISSOURI
Statement of Net Assets
December 31, 2004

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Chesterfield Community Development Corporation</u>
ASSETS		
Cash and cash equivalents	\$ 23,186,573	132,412
Investments	9,751,659	-
Receivables, net	11,849,165	4,831
Deferred charges	1,061,088	-
Other assets	364,560	5,627
Capital assets, net of accumulated depreciation	150,627,748	7,654
Total assets	<u>196,840,793</u>	<u>150,524</u>
LIABILITIES		
Accounts payable and accrued liabilities	896,704	7,899
Accrued salaries and other benefits	190,818	10,135
Accrued interest payable	1,295,146	-
Deferred revenue	711,416	-
Other liabilities	20,527	-
Long-term liabilities:		
Due within one year	5,767,674	-
Due in more than one year	87,711,624	-
Total liabilities	<u>96,593,909</u>	<u>18,034</u>
NET ASSETS		
Invested in capital assets, net of related debt	102,724,442	7,654
Restricted:		
Debt service	951,358	-
Capital project	1,534,755	-
Tax increment financing projects	27,654,062	-
Sewer lateral repair project	579,814	-
Unrestricted deficit	(33,197,547)	124,836
Total net assets	<u>\$ 100,246,884</u>	<u>132,490</u>

CITY OF CHESTERFIELD, MISSOURI
Statement of Activities
For the year ended December 31, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit CCDC
Primary Government						
Governmental activities:						
General government	\$ 2,732,076	621,344	-	-	(2,110,732)	-
Parks and recreation	1,819,602	459,308	30,700	200,000	(1,129,594)	-
Judicial	177,183	833,990	-	-	656,807	-
Planning	592,138	27,332	-	-	(564,806)	-
Public works	12,830,243	391,134	3,601,672	165,850	(8,671,587)	-
Public safety	6,694,462	49,255	373,238	-	(6,271,969)	-
Community development	139,090	-	-	-	(139,090)	-
Interest and fiscal charges	5,598,446	-	-	-	(5,598,446)	-
Total governmental activities	<u>30,583,240</u>	<u>2,382,363</u>	<u>4,005,610</u>	<u>365,850</u>	<u>(23,829,417)</u>	<u>-</u>
Component Unit						
CCDC	292,633	1,647	78,000	-	-	(212,986)
Total component unit	<u>\$ 292,633</u>	<u>1,647</u>	<u>78,000</u>	<u>-</u>	<u>-</u>	<u>(212,986)</u>
General revenues and transfers:						
Taxes:						
Property taxes, levied for general purpose					8,297,715	-
Property taxes, levied for debt service					776,912	-
Sales and local use taxes					13,764,998	-
Gross receipts taxes (includes franchise tax)					5,013,234	-
Miscellaneous taxes (includes sewer lateral)					637,516	-
Unrestricted interest earnings					524,489	1,761
Miscellaneous					284,068	442
Support provided by City of Chesterfield, Missouri					-	159,090
Total general revenues and transfers					<u>29,298,932</u>	<u>161,293</u>
Changes in net assets					5,469,515	(51,693)
Net assets - beginning of year					94,777,369	184,183
Net assets - end of year					<u>\$ 100,246,884</u>	<u>132,490</u>

CITY OF CHESTERFIELD, MISSOURI
Balance Sheet
Governmental Funds
December 31, 2004

	Major Funds						Nonmajor Funds	Total Governmental Funds
	General	Chesterfield Valley Tax Increment Financing	Capital Improvement Sales Tax Trust	TIF Bond	TIF Bond Debt Service	Capital Project	Other Governmental Funds	
ASSETS								
Cash and cash equivalents - unrestricted	\$ 2,061,542	1,627,099	3,182,967	7,957,504	6,441,530	-	1,915,931	23,186,573
Investments - unrestricted	4,615,887	4,920,049	-	-	213,234	-	2,489	9,751,659
Receivables:								
Municipal taxes	1,133,792	7,621,285	615,781	-	-	-	551,415	9,922,273
Intergovernmental	958,120	-	-	-	-	-	-	958,120
Interest	1,638	1,074	-	10,622	8,465	-	-	21,799
Other	905,387	29,756	-	-	11,830	-	-	946,973
Due from other funds	2,930,453	-	300,000	-	-	-	4,144	3,234,597
Prepays	364,560	-	-	-	-	-	-	364,560
Total assets	<u>\$ 12,971,379</u>	<u>14,199,263</u>	<u>4,098,748</u>	<u>7,968,126</u>	<u>6,675,059</u>	<u>-</u>	<u>2,473,979</u>	<u>48,386,554</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 781,575	11,679	-	39,446	-	-	64,004	896,704
Accrued salaries and other benefits	190,818	-	-	-	-	-	-	190,818
Due to other funds	4,144	657,661	2,563,993	89	-	-	8,710	3,234,597
Deferred revenue	791,876	480,107	-	-	-	-	53,648	1,325,631
Other liabilities	20,527	-	-	-	-	-	-	20,527
Total liabilities	<u>1,788,940</u>	<u>1,149,447</u>	<u>2,563,993</u>	<u>39,535</u>	<u>-</u>	<u>-</u>	<u>126,362</u>	<u>5,668,277</u>
Fund balances								
Reserved:								
Prepays	364,560	-	-	-	-	-	-	364,560
Unreserved, reported in:								
General Fund - designated for subsequent year expenditures	261,175	-	-	-	-	-	-	261,175
General Fund - undesignated	10,556,704	-	-	-	-	-	-	10,556,704
Special Revenue Funds	-	13,049,816	1,534,755	7,928,591	-	-	634,273	23,147,435
Debt Service Funds	-	-	-	-	6,675,059	-	1,713,344	8,388,403
Total fund balance	<u>11,182,439</u>	<u>13,049,816</u>	<u>1,534,755</u>	<u>7,928,591</u>	<u>6,675,059</u>	<u>-</u>	<u>2,347,617</u>	<u>42,718,277</u>
Total liabilities and fund balances	<u>\$ 12,971,379</u>	<u>14,199,263</u>	<u>4,098,748</u>	<u>7,968,126</u>	<u>6,675,059</u>	<u>-</u>	<u>2,473,979</u>	<u>48,386,554</u>

CITY OF CHESTERFIELD, MISSOURI
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2004

Total fund balances - governmental funds - balance sheet	\$ 42,718,277
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements. This is amount by which capital assets (\$204,078,020) exceed accumulated depreciation (\$53,450,272) as of December 31, 2004.	150,627,748
Property taxes are assessed by the City, but are not collected as of December 31, 2004 and deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	533,755
Court fines receivable as of December 31, 2004 are deferred within the fund financial statements. This amount is recognized in the government-wide financial statements.	80,460
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. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net assets. Also, during the year the City issued new debt and refunded some of its existing debt. Discounts, premiums, and bond issuance costs are reported in the governmental fund financial statements when the debt was issued, whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements. Balances as of December 31, 2004 are:	
Accrued compensated absences, vacation, and compensatory time-off	(497,189)
Accrued interest on outstanding debts as of year end 2004	(1,295,146)
Bonds, notes payable, and lease obligations outstanding	(92,495,903)
Unamortized bond premium	(619,827)
Unamortized bond discount	133,621
Unamortized bond issuance cost for debts issued in the current year	326,612
Unamortized bond issuance cost for debts issued in the previous year	734,476
	734,476
Total net assets - governmental activities - statement of net assets	\$ 100,246,884

CITY OF CHESTERFIELD, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2004

	Major Funds					Nonmajor Funds	Total Governmental Funds	
	General	Chesterfield Valley Tax Increment Financing	Capital Improvement Sales Tax Trust	TIF Bond	TIF Bond Debt Service	Capital Project		Other Governmental Funds
REVENUES								
Municipal taxes	9,873,281	12,713,385	3,940,005	-	-	-	1,294,470	27,821,141
Licenses and permits	1,223,489	-	-	-	-	-	-	1,223,489
Intergovernmental	4,191,574	-	95,493	-	-	-	60,418	4,347,485
Charges for services, net	593,756	-	-	-	-	-	-	593,756
Court fines and forfeitures	811,406	-	-	-	-	-	-	811,406
Investment income, net arbitrage	90,415	50,468	33,706	91,699	232,865	-	25,336	524,489
Miscellaneous	125,314	94,443	100,000	-	-	-	-	319,757
Total revenues	<u>16,909,235</u>	<u>12,858,296</u>	<u>4,169,204</u>	<u>91,699</u>	<u>232,865</u>	<u>-</u>	<u>1,380,224</u>	<u>35,641,523</u>
EXPENDITURES								
Current:								
Legislative	66,654	-	-	-	-	-	-	66,654
Administrative	2,233,492	-	-	-	-	-	-	2,233,492
Police services	6,476,230	-	-	-	-	-	17,924	6,494,154
Judicial	176,164	-	-	-	-	-	-	176,164
Planning and zoning	587,488	-	-	-	-	-	-	587,488
Public works	4,043,796	2,968,186	-	1,470,006	-	216,308	269,230	8,967,526
Parks and recreation	1,417,304	-	-	-	-	-	-	1,417,304
Capital outlay	804,953	25,000	-	1,330,549	-	2,126,425	25,360	4,312,287
Debt service:								
Principal	-	-	-	-	6,443,797	-	2,080,000	8,523,797
Interest and fiscal charges	-	-	-	-	1,943,193	-	3,744,835	5,688,028
Cost of issuance	-	-	-	-	-	-	344,757	344,757
Total expenditures	<u>15,806,081</u>	<u>2,993,186</u>	<u>-</u>	<u>2,800,555</u>	<u>8,386,990</u>	<u>2,342,733</u>	<u>6,482,106</u>	<u>38,811,651</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,103,154</u>	<u>9,865,110</u>	<u>4,169,204</u>	<u>(2,708,856)</u>	<u>(8,154,125)</u>	<u>(2,342,733)</u>	<u>(5,101,882)</u>	<u>(3,170,128)</u>
OTHER FINANCING SOURCES (USES)								
Premium on refunding certificates of participation	-	-	-	-	-	-	654,262	654,262
Proceeds of certificates of participation	-	-	-	-	-	-	15,820,000	15,820,000
Proceeds of tax increment financing notes	-	2,720,298	-	-	-	-	-	2,720,298
Sale of capital assets	65,975	-	-	-	-	-	-	65,975
Payment to escrow agent	-	-	-	-	-	-	(16,495,000)	(16,495,000)
Transfers in	-	-	-	14,380,633	8,627,421	2,342,733	3,611,889	28,962,676
Transfers out	<u>(1,546,150)</u>	<u>(11,390,414)</u>	<u>(4,407,163)</u>	<u>(11,509,912)</u>	<u>(106,585)</u>	<u>-</u>	<u>(2,452)</u>	<u>(28,962,676)</u>
Total other financing sources (uses), net	<u>(1,480,175)</u>	<u>(8,670,116)</u>	<u>(4,407,163)</u>	<u>2,870,721</u>	<u>8,520,836</u>	<u>2,342,733</u>	<u>3,588,699</u>	<u>2,765,535</u>
Net change in fund balances	<u>(377,021)</u>	<u>1,194,994</u>	<u>(237,959)</u>	<u>161,865</u>	<u>366,711</u>	<u>-</u>	<u>(1,513,183)</u>	<u>(404,593)</u>
Fund balances:								
Beginning of year	11,559,460	11,854,822	1,772,714	7,766,726	6,308,348	-	3,860,800	43,122,870
End of year	<u>11,182,439</u>	<u>13,049,816</u>	<u>1,534,755</u>	<u>7,928,591</u>	<u>6,675,059</u>	<u>-</u>	<u>2,347,617</u>	<u>42,718,277</u>

See accompanying notes to basic financial statements

CITY OF CHESTERFIELD, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2004

Net change in fund balances - governmental funds - statement of revenues, expenditures, and changes in fund balances		\$ (404,593)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets meeting the capitalization threshold is allocated over their estimated useful lives and recorded as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays, meeting the capitalization threshold in the current period.		
	(236,848)	(236,848)
The net effect of various miscellaneous transactions involving capital assets:		
Donated piece of land to St. Louis County - maintenance purpose	(30,000)	
Cost of vehicles sold - net of accumulated depreciation	(111,138)	
Contributed capital assets - infrastructure - right of way	<u>165,850</u>	24,712
Adjustment to revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements:		
Property taxes for TIF Fund	(64,695)	
Property taxes for Park Debt Service Fund	<u>(52,297)</u>	(116,992)
Court fines accounts receivable deferred is recognized as revenue in the statement of activities that do not provide current financial resources is not reported as revenue in the fund financial statements		
		22,584
Bond proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the liability in the statement of net assets.		
Debt issued during the current year:		
TIF Notes Phase III	(2,720,298)	
Refunding Certificate of Participation Series 2004	<u>(15,820,000)</u>	
Repayments during the current year:		
Levee District Note	340,454	
TIF Refunding and Improvement Bond	6,135,000	
Paid off Certificate of Participation Series 2000	16,495,000	
Annual principal payments on bonds and certificates of participation	<u>2,080,000</u>	6,510,156
Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.		
This adjustment combines the net changes of the following:		
Accrued compensated absences	(77,924)	
Accrued interest on bonds	109,110	
Amortized bond discount	(10,279)	
Amortized bond issuance cost	(57,196)	
Premium on debt issuances, net of amortization	(619,827)	
Deferred bond issuance costs, net of amortization	<u>326,612</u>	<u>(329,504)</u>
Change in net assets - governmental activities - statement of activities		<u>\$ 5,469,515</u>

CITY OF CHESTERFIELD, MISSOURI
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2004

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,800,136
 LIABILITIES	
Accounts payable and accrued liabilities	235,935
Deposits held in Escrow	1,564,201
Total liabilities	1,800,136
 NET ASSETS	\$ -

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

(1) Summary of Significant Accounting Policies

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

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

(a) The Financial Reporting Entity

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

The City's financial reporting entity consists of the City and its discretely presented component unit, the Chesterfield Community Development Corporation (CCDC). The members of the governing board of CCDC are appointed by the Mayor. Although the City cannot "impose its will" on CCDC, the City of Chesterfield provides a material subsidy to the CCDC primarily to finance the operations of the organization. Together, the City and CCDC form the reporting entity for financial reporting purposes. The accompanying financial data presented for the CCDC reflect twelve months of activity ending June 30, 2004. Complete financial statements of the CCDC can be obtained from its administrative offices at 135 Chesterfield Industrial Boulevard, Chesterfield, Missouri 63005.

(b) Government-wide and Fund Financial Statements

The government-wide financial statements (e.g. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from the *component unit* for which the City is financially accountable.

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

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The City has determined that the General Fund, Chesterfield Valley Tax Increment Financing Fund, Capital Improvement Sales Tax Trust Fund, TIF Bond Fund, TIF Bond

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

Debt Service Fund, and Capital Project Fund are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds are reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund 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.

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

Governmental Fund Types

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

The following are the City's governmental major funds:

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

Chesterfield Valley Tax Increment Financing Fund - The Chesterfield Valley Tax Increment Financing Fund is a Special Revenue Fund used to account for special revenues received from the Chesterfield TIF District, which are required to be segregated into a special allocation fund and designated for use in the TIF district only.

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

TIF Bond Fund - The TIF Bond Fund is a Special Revenue Fund used to account for the special revenues received from the City's Refunding and Improvement Bonds, which are required to be segregated into a special allocation fund and designated for use in the TIF district only. These bonds refunded all prior outstanding TIF notes.

TIF Bond Debt Service Fund - The TIF Bond Debt Service Fund is a Debt Service Fund used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs on the TIF Refunding and Improvement Revenue Bonds Series 2002.

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

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

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

Fiduciary Fund Type

Agency - Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governmental units. Agency Funds are accounted for and reported similar to a proprietary fund type. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of the Court Bond Fund, Explorer's Fund, Highway 40 Trust Fund, and Miscellaneous Escrow Fund.

Discretely Presented Component Unit - Chesterfield Community Development Corporation

The CCDC is included as a discretely presented component unit of the City and is accounted for similar to a proprietary fund type. 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. In reporting its financial activity, CCDC applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or after November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

In the government-wide financial statements, the City applies all applicable GASB pronouncements as well as the following private-sector pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: FASB Statements and Interpretations, APB Opinions, and ARBs of the Committee on Accounting Procedure.

(c) Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

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

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

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

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

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

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

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

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

(d) Encumbrances

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

(e) Cash and Cash Equivalents

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

(f) Investments

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

(g) Capital Assets

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

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

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

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

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

(h) *Compensated Absences*

The City grants vacation to all full-time employees based on years of continuous service, and compensatory time is granted to all nonexempt employees for hours worked in excess of a normal work week that are not taken within the current biweekly pay period. These benefits are allowed to accumulate and to carry over, with limitation, into the next calendar year and will be paid to employees upon resignation, retirement, or death. Sick leave benefits do not vest and, accordingly, are recorded as expenditures when paid. The entire accrued benefit liability related to the City's compensated absences in the amount of \$497,189 has been recorded in the government-wide financial statements.

(i) *Capital Contributions*

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

(j) *Interfund Transactions*

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

Transfers

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

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

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

(k) *Deferred Revenue*

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

(l) *Reserved Fund Balances*

Within the governmental fund financial statements, reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriation or is legally segregated for a specific future use. Reserved fund balances at December 31, 2004 are comprised of prepaid assets.

(m) *Long-term Liabilities*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

(n) *Amortization*

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

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

(o) *Use of Estimates*

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

(2) *Cash and Investments*

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

At year-end, the carrying amount of the City's deposits was \$84,563 and the bank balance was \$346,821. Of the bank balance, \$100,000 was insured by the Federal Depository Insurance Corporation (FDIC) and \$246,821 was collateralized with securities held by the Federal Reserve in a joint custody account of the City and the pledging financial institution.

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

The City's investments are categorized below to give an indication of the level of custodial credit risk assumed at year-end. Category 1 includes investments that are insured or registered, or for which the securities are 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 broker or dealer, or by a counterparty's trust department or agent, but not in the City's name.

	Categories			Carrying Amounts/ Fair Value
	1	2	3	
Investments:				
U.S. Treasury and agency securities	\$ 6,435,418	-	-	6,435,418
Repurchase agreements	-	24,902,143	-	24,902,143
Total investment	<u>\$ 6,435,418</u>	<u>24,902,143</u>	<u>-</u>	31,337,561
Money market mutual funds				316,244
Certificate of deposit				3,000,000
Cash deposits				84,563
Total - primary government				<u>\$ 34,738,368</u>

The following is a reconciliation of the City's deposit and investment balances at December 31, 2004:

	Government- wide Statement of Net Assets	Fiduciary Funds Statement of Fiduciary Net Assets	Total
Cash and cash equivalents	\$ 23,186,573	1,800,136	24,986,709
Investments	9,751,659	-	9,751,659
	<u>\$ 32,938,232</u>	<u>1,800,136</u>	<u>34,738,368</u>

(3) Receivables at December 31, 2004, Net of Allowances

	Municipal Taxes	Intergovern- mental	Interest	Other	Total Receivables
Governmental activities:					
General Fund	\$ 1,133,792	958,120	1,638	905,387	2,998,937
Chesterfield Valley Tax Increment Financing Fund	7,621,285	-	1,074	29,756	7,652,115
Capital Improvement Sales Tax Trust Fund	615,781	-	-	-	615,781
TIF Bond Fund	-	-	10,622	-	10,622
TIF Bond Debt Service Fund	-	-	8,465	11,830	20,295
Nonmajor Other Governmental Funds	551,415	-	-	-	551,415
Total governmental activities	<u>\$ 9,922,273</u>	<u>958,120</u>	<u>21,799</u>	<u>946,973</u>	<u>11,849,165</u>

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

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

(4) Capital Assets

The following is a summary of changes in capital assets - governmental activities for the year ended December 31, 2004:

	<u>Balance December 31, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance December 31, 2004</u>
Governmental activities:					
<i>Capital assets not being depreciated:</i>					
Land	\$ 13,012,885	1,259,896	30,000	-	14,242,781
Right-of-way	73,137,680	165,850	-	-	73,303,530
Construction in progress	155,402	41,752	-	(155,402)	41,752
Total capital assets not being depreciated	<u>86,305,967</u>	<u>1,467,498</u>	<u>30,000</u>	<u>(155,402)</u>	<u>87,588,063</u>
<i>Capital assets being depreciated:</i>					
Buildings	15,002,337	-	-	-	15,002,337
Other improvements	8,907,369	264,138	-	-	9,171,507
Machinery and equipment	3,138,614	216,265	131,100	-	3,223,779
Automobiles and trucks	2,969,244	321,778	226,323	-	3,064,699
Infrastructure	85,037,132	1,690,358	855,257	155,402	86,027,635
Total capital assets being depreciated	<u>115,054,696</u>	<u>2,492,539</u>	<u>1,212,680</u>	<u>55,402</u>	<u>116,489,957</u>
<i>Less- Accumulated depreciation for:</i>					
Buildings	1,261,712	375,308	-	-	1,637,020
Other improvements	2,147,937	412,911	-	-	2,560,848
Machinery and equipment	1,201,820	317,107	107,524	-	1,411,403
Automobiles and trucks	1,440,804	451,921	138,761	-	1,753,964
Infrastructure	44,468,507	2,473,787	855,257	-	46,087,037
Total accumulated depreciation	<u>50,520,780</u>	<u>4,031,034</u>	<u>1,101,542</u>	<u>-</u>	<u>53,450,272</u>
Total capital assets being depreciated, net	<u>64,533,916</u>	<u>(1,538,495)</u>	<u>111,138</u>	<u>155,402</u>	<u>63,039,685</u>
Governmental activities capital assets, net	<u>\$ 150,839,883</u>	<u>(70,997)</u>	<u>141,138</u>	<u>-</u>	<u>150,627,748</u>

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

Governmental activities:	
General government	\$ 487,740
Parks and recreation	369,469
Planning	7,637
Public works	3,004,168
Public safety	162,020
Total depreciation expense, governmental activities	<u>\$ 4,031,034</u>

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

(5) Accounts Payable

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

(6) Unrestricted Net Asset Deficit

The government-wide statement of net assets reflects an unrestricted net asset deficit of (\$33,197,547). This total is comprised of \$10,820,168 in unrestricted net assets from operations and (\$44,017,715) in unrestricted net assets deficit resulting from the issuance of TIF Refunding and Improvement Revenue Bonds Series 2002 (TIF bonds), which refunded TIF notes previously issued in cooperation with the Monarch-Chesterfield Levee District for the construction of a 500-year levee in the redevelopment area. The Monarch-Chesterfield Levee District is a separate and distinct entity under GASB 14 and owns and operates the levee independently from the City.

The City's responsibility to repay the TIF bonds extends only to the incremental revenues generated by the TIF district. The TIF bonds are a special limited obligation of the City and are not used in calculating the City's debt limit.

(7) Property Taxes

The City's property tax is levied each September based on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are billed in November, due and collectible on December 31, and delinquent after December 31. Liens are placed on property for delinquent taxes on January 1 following the due date. The City's tax rate was levied at \$.06 per \$100 of assessed valuation and is for retirement of general obligation bonds payable.

Taxes levied for 2004 are recorded as receivables, net of estimated uncollectible amounts; however, revenue recognition on all property tax receivables not collected within 60 days after year-end is deferred on the fund financial statements and recognized as revenue in the government-wide financial statements. The 2003 levy was due and collectible within the City's fiscal year ended December 31, 2004.

All property tax assessment, billing, and collection functions are handled by the St. Louis County government. Taxes collected are remitted to the City by the St. Louis County Collector (the County Collector) in the month subsequent to the actual collection date. Taxes held by the County Collector, if any, are included in municipal taxes receivable in the accompanying fund financial statements.

(8) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City, along with various other local governments, participates in an insurance trust for workers' compensation and for general liability matters (St. Louis Area Insurance Trust (SLAIT)). The purpose of this trust is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment from each entity to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust; however, the City is contingently liable to fund its pro rata share of any deficit incurred by the trust should the trust cease operations at some future date. The trust has contracted with an insurance agent to handle all administrative matters, including processing of claims filed. The City's 2004 premium payments to the trust was \$315,121.

The City also purchases commercial insurance to cover risks related to property loss, public official liability, earthquakes, and employees' blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

(9) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets and liabilities of the deferred compensation plan are not included in the accompanying basic financial statements.

(10) Retirement Plan

In 1989, the City established a money purchase retirement plan (a defined contribution plan) funded through Manufacturers Life Insurance Company. All employees are eligible to participate in the plan after they have completed one year of service and attained the age of 18. Per City ordinance, the City contributes an amount equal to 8% of compensation of eligible participants. No contribution is required from employees. All employees vest 20% after three years of service and an additional 20% per year thereafter, making the employees fully vested after seven years of credited service. The City's contribution for 2004 was \$590,234 or 8% of covered payroll less any forfeitures from terminated nonvested employees.

Total covered payroll for the year was \$7,951,078 or 88% of the total City payroll of \$9,047,651.

(11) Interfund Balances

Individual fund interfund receivable and payable balances as of December 31, 2004 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Sales Tax Trust Fund	\$ 2,563,993
General Fund	Chesterfield Valley Tax Increment Financing Fund	357,661
General Fund	Nonmajor Governmental Funds	8,710
Capital Improvement Sales Tax Trust Fund	Chesterfield Valley Tax Increment Financing Fund	300,000
TIF Bond Fund	General Fund	89
Nonmajor Governmental Funds	General Fund	4,144
		<u>\$ 3,234,597</u>

All of these interfund balances are due to either timing differences or to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2004.

(12) Obligations Under Operating Lease Agreements

The City leases equipment under certain operating lease agreements with terms in excess of one year. Annual aggregate lease payments remaining under the terms of the operating lease agreements as of December 31, 2004 are as follows:

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

2005		\$	50,893
2006			26,665
2007			10,542
			88,100

(13) Long-Term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended December 31, 2004:

	<u>Balance</u> <u>December 31,</u> <u>2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31,</u> <u>2004</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated absences	\$ 419,265	796,740	(718,816)	497,189	211,960
General obligation bonds	31,365,000	-	(1,525,000)	29,840,000	1,590,000
Certificates of participations	19,050,000	15,820,000	(17,050,000)	17,820,000	550,000
Plus-issuance premium	-	654,262	(34,435)	619,827	-
Taxes increment financing notes payable	3,571,059	2,720,298	(340,454)	5,950,903	525,714
TIF refunding and improvement bonds	45,020,000	-	(6,135,000)	38,885,000	2,890,000
Less-issuance discount	(143,900)	-	10,279	(133,621)	-
Total	\$ 99,281,424	19,991,300	(25,793,426)	93,479,298	5,767,674

General Obligation Bonds Payable

In May 1999, the City issued \$15,125,000 in General Obligation Bonds Series 1999 in order to finance capital expenditures within the City. The Series 1999 bonds bear interest ranging from 4.2% to 6.0% and are repaid through a Debt Service Fund.

In May 1998, the City issued \$10,215,000 in General Obligation Refunding Bonds Series 1998, the proceeds of which were used to advance refund \$10,140,000 of outstanding Series 1995 General Obligation Bonds. The Series 1998 bonds bear interest ranging from 4.3% to 7.3% and are repaid through a Debt Service Fund. The net proceeds of the Series 1998 bonds plus an additional \$801,487 of City monies were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the \$10,140,000 principal of the Series 1995 bonds. As a result, the Series 1995 bonds are considered defeased and the liability for these bonds has been removed from the basic financial statements.

In February 1997, the City issued \$14,230,000 in General Obligation Bonds Series 1997, the proceeds of which are to be used for construction, repair and improvements to streets, curbing, and sidewalks. The bonds bear interest ranging from 4.15% to 7.125% and are repaid through a Debt Service Fund.

The annual principal and interest requirements to maturity of the general obligation bonds as of December 31, 2004 are as follows:

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

	General Obligation Bonds		
	Principal	Interest	Totals
2005	\$ 1,590,000	1,402,263	2,992,263
2006	1,660,000	1,329,700	2,989,700
2007	1,735,000	1,252,611	2,987,611
2008	1,815,000	1,171,420	2,986,420
2009	1,905,000	1,085,861	2,990,861
2010-2014	11,005,000	3,932,283	14,937,283
2015-2019	10,130,000	1,212,184	11,342,184
	\$ 29,840,000	11,386,322	41,226,322

Certificates of Participation

In August 2004, the City issued \$15,820,000 in Certificates of Participation (Series 2004) which represent proportionate interests in base rentals to be paid by the City pursuant to an annually renewable lease/purchase agreement between the City and UMB Bank, N.A., Company of Missouri (trustee/lessor). The base rentals constitute rent for the City Hall facility pursuant to the lease. The City deposited the net proceeds of the Series 2004 Certificates of Participation plus \$1,763,690 from the reserve fund with the escrow agent (UMB Bank N.A., Kansas City, Missouri) to provide for refunding \$16,954,000 outstanding principal amount of Certificates of Participation Series 2000, which were issued to provide funds to finance the City's acquisition and construction of City Hall. As a result, the Series 2000 Certificates are considered defeased and the liability for them has been removed from the basic financial statements. The Certificates of Participation bear interest from 3% to 5% and are repaid by General Fund operating revenue.

The refunding of the Certificate of Participation (2000) resulted in an economic gain of \$118,457 and an increase of \$1,037,832 in future debt service.

In November 2002, the City issued \$2,325,000 in Certificates of Participation (Series 2002), which the City and the trustee, BNY Trust Company of Missouri, have entered into a base lease, pursuant to which the City, as lessor, has leased to the Trustee, as lessee, the real estate on which the City's maintenance facility is located, together with all improvements now or to be situated thereon for rent. The Series 2002 Certificates of Participation have been delivered and sold for the purpose of providing funds, together with other funds of the City, to pay the costs of: (1) refunding \$2,235,000 outstanding principal amount of Certificates of Participation Series 1995, which were issued to provide funds to acquire and construct a new maintenance facility for the City; (2) funding a debt service reserve fund for the Certificates; and (3) paying the costs of delivering the Certificates. The Certificates of Participation bear interest from 2.0% to 4.2% and are repaid through a transfer of General Fund operating revenues to a Debt Service Fund.

The annual principal and interest requirements to maturity of the Certificates of Participation as of December 31, 2004 are as follows:

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

	Certificates of Participation		
	Principal	Interest	Totals
2005	\$ 395,000	747,605	1,142,605
2006	475,000	765,605	1,240,605
2007	485,000	751,948	1,236,948
2008	520,000	736,758	1,256,758
2009	565,000	718,975	1,283,975
2010-2014	5,225,000	3,078,038	8,303,038
2015-2019	6,255,000	1,791,800	8,046,800
2020-2022	3,900,000	267,500	4,167,500
	\$ 17,820,000	8,858,229	26,678,229

Tax Increment Financing Notes Payable and TIF Refunding and Improvement Revenue Bonds

In 2002, the City issued Series 2002 Tax Increment Financing (TIF) Notes in cooperation with the Monarch-Chesterfield Levee District (Levee District) for the purpose of paying a portion of the redevelopment project costs in connection with the "Chesterfield Valley Tax Increment Financing District Redevelopment Plan" (Redevelopment Plan). The Levee District assumed ownership of the levee redevelopment project and the City's projects costs are intended to provide for the general health, safety, and welfare of that portion of the City affected by the Monarch-Chesterfield Levee. The TIF Notes are considered a special limited obligation of the City and have been issued to the Levee District. The City will make principal and interest payments on the TIF Notes to the Levee District based on incremental payments in lieu of taxes attributable to the project site.

In 2002, the City also issued \$50,945,000 in TIF Refunding and Improvement Revenue Bonds pursuant to the Act and Trust Indenture dated April 1, 2002 between the City and UMB Bank, N.A., Kansas City, Missouri as trustee, for the purpose of providing funds to: (1) refund prior outstanding TIF notes; (2) reimburse THF (the development company) for certain costs incurred and to be incurred in accordance with the THF redevelopment agreement; (3) finance the City project; (4) fund a Debt Service Reserve Fund for the bonds; and (5) pay costs of issuance of the Series 2002 Bonds. The City will make principal and interest payments on the TIF bonds based on incremental payments in lieu of taxes (PILOTs) and economic activity tax (EATs) generated within the redevelopment area.

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

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
Levee District TIF notes payable: Series 2002, tax increment revenue notes, interest rate 6.041%, payable through August 15, 2017	\$ 3,571,059	2,720,298	(340,454)	5,950,903

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

Since annual repayment amounts for the Levee District TIF notes will be determined based upon future revenues, a schedule of debt service requirements to maturity cannot be established.

The annual principal and interest requirements to maturity of the TIF Refunding and Improvement Revenue Bonds as of December 31, 2004 are as follows:

<u>TIF Refunding and Improvement Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2005	\$ 2,890,000	1,668,924	4,558,924
2006	2,980,000	1,576,484	4,556,484
2007	3,085,000	1,474,071	4,559,071
2008	3,195,000	1,360,976	4,555,976
2009	3,320,000	1,087,244	4,407,244
2010-2014	18,845,000	3,193,478	22,038,478
2015-2016	4,570,000	114,975	4,684,975
	<u>\$ 38,885,000</u>	<u>10,476,152</u>	<u>49,361,152</u>

(14) Interfund Transfers

Individual fund transfers for the year ended December 31, 2004 are as follows:

		<u>Transfer From</u>						
		<u>General Fund</u>	<u>Chesterfield Valley Tax Increment Financing Fund</u>	<u>Capital Improvement Sales Tax Trust Fund</u>	<u>TIF Bond Fund</u>	<u>TIF Bond Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Transfer To	Capital Project Fund	\$ 55,825	-	2,286,908	-	-	-	2,342,733
	TIF Bond Fund	-	11,390,414	-	2,883,634	106,585	-	14,380,633
	TIF Bond Debt Service Fund	-	-	-	8,626,278	-	1,143	8,627,421
	Other Governmental Funds	1,490,325	-	2,120,255	-	-	1,309	3,611,889
		<u>\$ 1,546,150</u>	<u>11,390,414</u>	<u>4,407,163</u>	<u>11,509,912</u>	<u>106,585</u>	<u>2,452</u>	<u>28,962,676</u>

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

(15) Commitments and Contingencies

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

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

(16) Discretely Presented Component Unit – Chesterfield Community Development Corporation

The following notes relate only to the Chesterfield Community Development Corporation (CCDC):

(a) Organization

The CCDC was formed May 5, 1992 under the official name "Industrial Development Authority (IDA) of the City of Chesterfield, Missouri". However, it is registered to conduct business as the "Chesterfield Community Development Corporation". The CCDC is a public corporation organized to promote and solicit industrial and economic projects within Chesterfield. An IDA acts as a conduit for purposes of qualifying industrial development bonds as tax-exempt under provisions of Section 103 of the Internal Revenue Code. In order to finance a project, an IDA issues its bonds, the proceeds of which are loaned to acquire the real property and improvements and/or the equipment comprising the project. Concerning each project, an IDA assigns all rights, title, and interest to a trustee for the benefit of the bond purchaser, and it does not acquire any beneficial interest in any project. In the event of default, an IDA is not liable for payment of the bonds. Accordingly, neither the assets of the projects nor the bonds payable are reflected in the accompanying financial statements.

(b) Measurement Focus and Basis of Accounting

The CCDC derives most of its revenues from an appropriation from the City and is considered to be an Enterprise Fund. Accordingly, the CCDC presents its financial statements using the economic resources measurement focus and accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenues and expenses are categorized as either operating or nonoperating. Nonoperating activity includes the interest income. All other activities are considered operating.

In its accounting and financial reporting, the CCDC follows the pronouncements of the GASB. In addition, the CCDC follows the pronouncements of all applicable FASB Statements and Interpretations, APB Opinions, and ARBs of the Committee on Accounting Procedure issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The CCDC has elected not to apply pronouncements issued by the FASB after November 30, 1989.

(c) Cash and Cash Equivalents

The bank balance of cash and cash equivalents at June 30, 2004 was covered by Federal Depository Insurance or collateralized with securities held by CCDC or its agent in CCDC's name. The CCDC is allowed to invest in obligations of the United States Treasury, agencies, and instrumentalities, obligations of the State of Missouri, certain commercial paper, and bank repurchase agreements.

	June 30, 2004
Bank repurchase agreement	\$ 66,803
Certificates of deposit	69,136
Checking account (overdraft)	<u>(3,527)</u>
Total	<u>\$ 132,412</u>

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

The bank repurchase agreement is uninsured and unregistered for which the pledged securities are held as collateral by the counterparty's trust department or agent in the CCDC name.

(d) Conduit Debt Obligations

Various forms of tax-exempt and taxable indebtedness issued by CCDC have been loaned to qualified borrowers who are required to make payments to the trustees sufficient to meet principal and interest requirements of the related obligation. The aggregate principal amount of outstanding bonds at June 30, 2004 was \$45,466,964.

(e) Operating Lease Commitment

The CCDC leases office space under an operating lease expiring September 30, 2005. The required payments under this lease are as follows:

For the years ended June 30:		
2005	\$	35,133
2006		<u>8,889</u>
	\$	<u><u>44,022</u></u>

Office lease rent expense for the year ended June 30, 2004 were \$34,970.

In addition to the above base rent, the CCDC must pay a proportionate share of the taxes on the property in excess of the commencement calendar year and operating expenses in excess of the fiscal year ending May 31, 2001.

(f) Deferred Compensation Plan

CCDC established a deferred compensation plan on March 27, 1996 under Internal Revenue Code Section 457. Contributions to the plan are made through employee-elected salary deferrals and employer contributions of 8% (5% prior to July 1, 2002) of eligible wages. The CCDC contributed \$8,425 for the year ended June 30, 2004. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries.

(g) Capital Assets

CCDC's property and equipment are carried at cost, less accumulated depreciation. Capital assets purchased with an original value of \$500 or more are capitalized. Depreciation is computed using principally accelerated methods for equipment and the straight line method for leasehold improvements, using asset lives as follows:

	<u>Years</u>
Computer equipment	5
Furniture and fixtures	5-7
Leasehold improvements	39

Depreciation charged to operations for the year ended June 30, 2004 amounted to \$1,816.

City of Chesterfield, Missouri
Notes to Basic Financial Statements
December 31, 2004

The following represents a summary of changes in CCDC's capital assets for the year ended June 30, 2004:

	Balance June 30, 2003	Additions	Reductions	Balance June 30, 2004
<i>Capital assets being depreciated:</i>				
Computer equipment and furniture and fixtures	\$ 32,105	-	-	32,105
Leasehold improvements	5,171	-	-	5,171
Total capital assets being depreciated	<u>37,276</u>	<u>-</u>	<u>-</u>	<u>37,276</u>
<i>Less - Accumulated depreciation for:</i>				
Computer equipment and furniture and fixtures	27,432	1,683	-	29,115
Leasehold improvements	374	133	-	507
Total accumulated depreciation	<u>27,806</u>	<u>1,816</u>	<u>-</u>	<u>29,622</u>
CCDC capital assets, net	<u>\$ 9,470</u>	<u>(1,816)</u>	<u>-</u>	<u>7,654</u>

(17) Subsequent Event

In February 2005, the City issued \$17,760,000 in General Obligation Refunding Bonds Series 2005 to advance refund General Obligation Bonds Series 1997 and General Obligation Bonds Series 1999 that had \$9,265,000 and \$13,055,000 outstanding, respectively. The Series 2005 bonds bear interest ranging from 3.0% to 5.0% and are repaid through a Debt Service Fund. The net proceeds of the Series 2005 issue were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments of the 1997 and 1999 series.

In January 2005, the City issued \$25,710,000 in Certificates of Participation (Series 2005), which represent proportionate interests in base rentals to be paid by the City pursuant to an annually renewable lease/purchase agreement dated January 1, 2005 between the City and Wells Fargo Bank (the trustee/lessor). The trustee has agreed to execute and deliver certificates pursuant to a declaration and indenture of trust to finance the City's acquisition and construction of park land and parks and recreation amenities. The base rentals constitute rent for the land and amenities pursuant to the lease. The certificates of participation bear interest ranging from 3.0% to 5.0% and will be repaid through the revenues generated by the ½ cent sales tax for parks passed by voters in November 2004.

In November 2004, voters authorized the institution of a ½ cent sales tax to be imposed city-wide to fund parks and recreation activities. The sales tax will be take effect on April 1, 2005.



**City of
Chesterfield**

INFORMATION

Required Supplementary Information

CITY OF CHESTERFIELD, MISSOURI
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the year ended December 31, 2004

Schedule 1

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Municipal taxes:				
Utility gross receipts	\$ 4,377,750	4,377,750	4,158,515	(219,235)
Sales taxes	5,762,850	5,762,850	5,714,766	(48,084)
Total municipal taxes	<u>10,140,600</u>	<u>10,140,600</u>	<u>9,873,281</u>	<u>(267,319)</u>
Licenses and permits	<u>1,143,884</u>	<u>1,143,884</u>	<u>1,223,489</u>	<u>79,605</u>
Intergovernmental:				
Motor fuel and vehicle sale taxes	1,953,395	1,953,395	1,955,567	2,172
Cigarette tax	187,000	187,000	172,255	(14,745)
Road and bridge tax	1,413,360	1,413,360	1,449,721	36,361
Grants and other	232,593	443,593	614,031	170,438
Total intergovernmental	<u>3,786,348</u>	<u>3,997,348</u>	<u>4,191,574</u>	<u>194,226</u>
Charges for services:				
Inspection and subdivision fees	77,250	77,250	65,253	(11,997)
Zoning applications	10,300	10,300	11,902	1,602
Police reports	20,600	20,600	14,455	(6,145)
False alarms	41,200	41,200	34,800	(6,400)
Parks and recreation	395,190	395,190	459,308	64,118
Other charges	5,150	5,150	8,038	2,888
Total charges for services	<u>549,690</u>	<u>549,690</u>	<u>593,756</u>	<u>44,066</u>
Court fines and forfeitures	<u>839,750</u>	<u>839,750</u>	<u>811,406</u>	<u>(28,344)</u>
Investment income	<u>250,000</u>	<u>250,000</u>	<u>90,415</u>	<u>(159,585)</u>
Miscellaneous	<u>187,500</u>	<u>187,500</u>	<u>191,289</u>	<u>3,789</u>
Total revenues	<u>16,897,772</u>	<u>17,108,772</u>	<u>16,975,210</u>	<u>(133,562)</u>
EXPENDITURES	<u>16,284,756</u>	<u>16,630,346</u>	<u>15,806,081</u>	<u>824,265</u>
Excess of revenues over expenditures	613,016	478,426	1,169,129	690,703
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,710,318)	(1,710,318)	(1,546,150)	(164,168)
Net change in fund balance	<u>\$ (1,097,302)</u>	<u>(1,231,892)</u>	<u>(377,021)</u>	<u>526,535</u>

(Continued)

CITY OF CHESTERFIELD, MISSOURI
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the year ended December 31, 2004

Schedule 1

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual Other Expenditures</u>	<u>Variance with Final Budget Positive (Negative)</u>
General government:				
Legislative - Mayor's Office and City council:				
Personal services	\$ 64,754	64,754	64,729	25
Contractual services	3,165	3,165	1,477	1,688
Commodities	1,000	1,000	448	552
Total legislative	<u>68,919</u>	<u>68,919</u>	<u>66,654</u>	<u>2,265</u>
Administrative:				
City Clerk:				
Personal services	204,593	204,593	197,905	6,688
Contractual services	32,925	32,925	59,453	(26,528)
Commodities	700	700	25	675
Legal services:				
Contractual services	200,000	200,000	219,408	(19,408)
City Administrator:				
Personal services	198,094	198,094	198,727	(633)
Contractual services	6,050	6,050	6,932	(882)
Finance:				
Personal services	372,527	372,527	353,681	18,846
Contractual services	113,919	113,919	72,965	40,954
Commodities	5,000	5,000	2,527	2,473
Central services:				
Contractual services	762,190	819,190	727,123	92,067
Commodities	67,000	67,000	49,748	17,252
Information systems:				
Personal services	264,773	264,773	256,634	8,139
Contractual services	48,050	48,050	43,703	4,347
Commodities	34,600	34,600	44,661	(10,061)
Capital outlay	19,000	19,000	5,145	13,855
Total administrative	<u>2,329,421</u>	<u>2,386,421</u>	<u>2,238,637</u>	<u>147,784</u>
Police services:				
Personal services	6,185,933	6,185,933	6,010,657	175,276
Contractual services	334,288	334,288	326,950	7,338
Commodities	160,625	160,625	138,623	22,002
Capital outlay	227,500	227,500	226,644	856
Total police services	<u>6,908,346</u>	<u>6,908,346</u>	<u>6,702,874</u>	<u>205,472</u>
Judicial:				
Personal services	143,897	143,897	139,617	4,280
Contractual services	41,540	41,540	36,547	4,993
Commodities	1,700	1,700	-	1,700
Total judicial	<u>187,137</u>	<u>187,137</u>	<u>176,164</u>	<u>10,973</u>

CITY OF CHESTERFIELD, MISSOURI
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the year ended December 31, 2004

Schedule 1

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual Other Expenditures</u>	<u>Variance with Final Budget Positive (Negative)</u>
Planning and zoning:				
Personal services	571,190	571,190	554,036	17,154
Contractual services	50,142	50,142	32,492	17,650
Commodities	2,594	2,594	960	1,634
Capital outlay	23,525	23,525	20,764	2,761
Total planning and zoning	<u>647,451</u>	<u>647,451</u>	<u>608,252</u>	<u>36,438</u>
Public works:				
Administration and engineering:				
Personal services	1,054,736	1,054,736	993,170	61,566
Contractual services	153,041	153,041	99,484	53,557
Commodities	23,600	23,600	23,043	557
Capital outlay	74,500	74,500	56,092	18,408
Street and sewer maintenance:				
Personal services	1,133,871	1,133,871	1,195,007	(61,136)
Contractual services	419,643	419,643	309,211	110,432
Commodities	412,135	412,135	326,889	85,246
Capital outlay	48,982	48,982	63,786	(14,804)
Vehicle maintenance:				
Personal services	290,023	290,023	240,802	49,221
Contractual services	183,865	183,865	152,274	31,591
Commodities	174,490	174,490	193,578	(19,088)
Building maintenance:				
Personal services	263,419	263,419	242,650	20,769
Contractual services	227,500	227,500	224,050	3,450
Commodities	45,500	45,500	41,378	4,122
Capital outlay	16,000	16,000	16,000	-
Street lighting - contractual services				
Contractual services	12,500	12,500	2,260	10,240
Commodities	2,500	2,500	-	2,500
Total public works	<u>4,536,305</u>	<u>4,536,305</u>	<u>4,179,674</u>	<u>356,631</u>
Parks and recreation :				
Administration:				
Personal services	807,265	807,265	750,007	57,258
Contractual services	490,605	524,638	500,192	24,446
Commodities	145,515	154,105	167,105	(13,000)
Capital outlay	163,792	409,759	416,522	(6,763)
Total parks and recreation	<u>1,607,177</u>	<u>1,895,767</u>	<u>1,833,826</u>	<u>61,941</u>
Total expenditures	<u>\$ 16,284,756</u>	<u>16,630,346</u>	<u>15,806,081</u>	<u>821,504</u>

CITY OF CHESTERFIELD, MISSOURI
Chesterfield Valley Tax Increment Financing Fund - Special Revenue Major Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended December 31, 2004

Schedule 2

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Municipal taxes:	\$			
Property taxes	6,900,000	6,900,000	8,362,410	1,462,410
Utility gross receipts	235,000	235,000	240,748	5,748
Sales taxes	3,650,000	3,650,000	4,110,227	460,227
Total municipal taxes	<u>10,785,000</u>	<u>10,785,000</u>	<u>12,713,385</u>	<u>1,928,385</u>
Investment income	65,000	65,000	50,468	(14,532)
Miscellaneous	20,000	20,000	94,443	74,443
Total revenues	<u>10,870,000</u>	<u>10,870,000</u>	<u>12,858,296</u>	<u>1,988,296</u>
EXPENDITURES				
Public works	1,133,634	250,000	2,968,186	(2,718,186)
Capital outlay	-	-	25,000	(25,000)
Total expenditures	<u>1,133,634</u>	<u>250,000</u>	<u>2,993,186</u>	<u>(2,743,186)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,736,366</u>	<u>10,620,000</u>	<u>9,865,110</u>	<u>(754,890)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of tax increment financing notes	-	-	2,720,298	2,720,298
Transfers out	(4,922,000)	(4,922,000)	(11,390,414)	(6,468,414)
Total other financing sources (uses), net	<u>(4,922,000)</u>	<u>(4,922,000)</u>	<u>(8,670,116)</u>	<u>(3,748,116)</u>
Net change in fund balance	<u>\$ 4,814,366</u>	<u>5,698,000</u>	<u>1,194,994</u>	<u>(4,503,006)</u>

CITY OF CHESTERFIELD, MISSOURI
Capital Improvement Sales Tax Trust Fund - Special Revenue Major Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended December 31, 2004

Schedule 3

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Municipal taxes:			
Sales taxes	\$ 3,890,246	3,940,005	49,759
Intergovernmental	1,600,000	95,493	(1,504,507)
Investment income	25,000	33,706	8,706
Miscellaneous	-	100,000	100,000
Total revenues	<u>5,515,246</u>	<u>4,169,204</u>	<u>(1,346,042)</u>
EXPENDITURES			
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
	5,515,246	4,169,204	(1,346,042)
OTHER FINANCING SOURCES (USES)			
Transfers out	(6,366,083)	(4,407,163)	(1,958,920)
Net change in fund balance	<u>\$ (850,837)</u>	<u>(237,959)</u>	<u>612,878</u>

CITY OF CHESTERFIELD, MISSOURI
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual
For the Year Ended December 31, 2004

EXPLANATION OF BUDGETARY PROCESS

The City prepares and legally adopts an annual budget for the General Fund, the Chesterfield Valley Tax Increment Financing Special Revenue Fund, the Capital Improvement Sales Tax Trust Special Revenue Fund, all Debt Service Funds, and the Capital Project Fund. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The Council follows the procedures outlined below in establishing the budgetary data:

1. During or before the last week of November, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures, estimated revenue of the fund for the budget year, and the means of financing them.
2. On December 1, the City Administrator presents proposed budget at a Public Hearing prior to regularly scheduled City Council meeting.

The budget is adopted at regular City council meeting by resolution.

3. Copies of the proposed budget are made available for public inspection in the office of the City Clerk for at least 10 days prior to passage of the budget. At least one public hearing is held on the budget by the City Council. Notice of the hearing is given by publication in a newspaper with general circulation in the City.
4. The budget is adopted by the City Council by the affirmative vote of a majority of the members of the City Council and approval by the Mayor on or before the last day preceding the budget year. If the budget has not been passed and approved by this time, then the budget and appropriations for the current fiscal year shall be deemed to be rebudgeted and reappropriated for the budget year until a new budget is adopted and approved.
5. All appropriations lapse at year-end, outstanding encumbrances are reappropriated in the subsequent fiscal year budget to provide for the liquidation of the prior commitments.

The legal level of budgetary control for the General Fund original adopted annual budget is defined as the budgeted appropriation amount at the object level of expenditures (personnel services, contractual services, commodities, and capital outlay) for a program within a department of the General Fund.

Subsequent transfers within the General Fund budget may be made as follows:

- a) Heads of departments may make transfers between the object levels of expenditures for a program within a department of the General Fund in an amount up to \$2,500 with the prior approval of the Director of Finance and Administration.
- b) Heads of departments may make transfers between the object levels of expenditures for a program within a department of the General Fund in an amount from \$2,500 to \$5,000 with the prior approval of the Director of Finance and Administration and the City Administrator.
- c) Approval of a majority of the City Council is required for transfers in an amount over \$5,000.

The legal level of budgetary control for the original adopted annual budget for the Chesterfield Valley Tax Increment Financing Special Revenue Fund, Capital Improvement

CITY OF CHESTERFIELD, MISSOURI
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual
For the Year Ended December 31, 2004

Sales Tax Trust Special Revenue Fund, all Debt Service Funds, and the Capital Project Fund is defined as the budgeted appropriation amount at the department level.

Supplemental appropriations can be made with the majority vote of the City Council. In February, the City Council approved a transfer of \$200,000 from Municipal Parks Grant Commission (MPGC), was used in constructing a splash playground area adjacent to the existing pool. In April, the City Council approved a transfer of \$50,000 from General Fund fund reserves which purchased and installed lighting for the field # 7 at Chesterfield Athletic Complex. This amount will be fully reimbursed by Chesterfield Baseball/Softball Association (CBSA) over a five year period. In addition, the City Council approved a transfer of \$9,000 from Wetlands Mitigation fund reserves, \$11,000 from Park Contribution and \$57,000 from General Fund fund reserves. The total of \$20,000 was used for expansion of team dugouts at Chesterfield Athletic Complex, and \$57,000 was used to pay for the cost of consulting services for analysis of retirement benefit plan. Due to budget controlling, all other budget items remained the same as original budget.

City of Chesterfield, Missouri's budget preparation is based upon the basis of U.S. generally accepted accounting principles (GAAP). The only exception is compensated absences that are expected to be liquidated with expendable available financial resources which are accrued as earned by employees (GAAP), as opposed to being expended when paid (budget). In addition, gains or losses on investments, depreciation, and amortization are not considered budgetary accounts and are excluded from the budgeting system.

Other Supplementary Information

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are maintained by the City:

Police Forfeiture - This fund is used to account for special revenues received which are specifically earmarked for future expenditures in the area of public safety.

Sewer Lateral - This fund is used to account for special revenues received which are specifically earmarked for expenditures for repairs to residential sanitary sewer laterals.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, certain general long-term debt principal, interest, and related costs. The following Debt Service Funds are maintained by the City:

Parks 1998 - This fund is used to account for the accumulation of resources and payment of general obligation principal and interest on the parks General Obligation Bond issue, Series 1998 which advance refunded the General Obligation Bond issue, Series 1995.

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

R & S 1997 and 1999 - This fund is used to account for the accumulation of resources and payment of principal and interest on the road and sidewalk General Obligation Bond issues, Series 1997 and Series 1999.

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

Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for acquisition or construction of major capital facilities. The following Capital Project Fund is maintained by the City:

City Hall Construction - This fund is used to account for the financial resources designated for the acquisition of land and construction of the City's new government center.

CITY OF CHESTERFIELD, MISSOURI
Combining Balance Sheet
Nonmajor Governmental Funds
For the year ended December 31, 2004

Schedule 4

	<u>Nonmajor Special Revenue Funds</u>			<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Police Forfeiture</u>	<u>Sewer Lateral</u>	<u>Total Special Revenue</u>		
ASSETS					
Cash and cash equivalents	\$ 54,458	522,290	576,748	1,339,183	1,915,931
Investments - unrestricted	-	-	-	2,489	2,489
Receivables:					
Municipal taxes	-	129,979	129,979	421,436	551,415
Due from other funds	-	-	-	4,144	4,144
Total assets	<u>\$ 54,458</u>	<u>652,269</u>	<u>706,727</u>	<u>1,767,252</u>	<u>2,473,979</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	63,744	63,744	260	64,004
Due to other funds	-	8,710	8,710	-	8,710
Deferred revenue	-	-	-	53,648	53,648
Total liabilities	<u>-</u>	<u>72,454</u>	<u>72,454</u>	<u>53,908</u>	<u>126,362</u>
Fund balances					
Unreserved, reported in:					
Speical Revenue Funds	54,458	579,815	634,273	-	634,273
Debt Service Funds	-	-	-	1,713,344	1,713,344
Total fund balances	<u>54,458</u>	<u>579,815</u>	<u>634,273</u>	<u>1,713,344</u>	<u>2,347,617</u>
Total liabilities and fund balances	<u>\$ 54,458</u>	<u>652,269</u>	<u>706,727</u>	<u>1,767,252</u>	<u>2,473,979</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2004

Schedule 5

	<u>Nonmajor Special Revenue Funds</u>			<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Police Forfeiture</u>	<u>Sewer Lateral</u>	<u>Total Special Revenue</u>		
REVENUES					
Municipal taxes	\$ -	465,261	465,261	829,209	1,294,470
Intergovernmental	60,418	-	60,418	-	60,418
Investment income	-	3,656	3,656	21,680	25,336
Total revenues	<u>60,418</u>	<u>468,917</u>	<u>529,335</u>	<u>850,889</u>	<u>1,380,224</u>
EXPENDITURES					
Police services	17,924	-	17,924	-	17,924
Public works	-	269,230	269,230	-	269,230
Capital outlay	25,360	-	25,360	-	25,360
Debt service:					
Principal	-	-	-	2,080,000	2,080,000
Interest and fiscal charges	-	-	-	3,744,835	3,744,835
Cost of issuance	-	-	-	344,757	344,757
Total expenditures	<u>43,284</u>	<u>269,230</u>	<u>312,514</u>	<u>6,169,592</u>	<u>6,482,106</u>
Excess (deficiency) of revenues over expenditures	<u>17,134</u>	<u>199,687</u>	<u>216,821</u>	<u>(5,318,703)</u>	<u>(5,101,882)</u>
OTHER FINANCING SOURCES (USES)					
Premium on refunding certificates of participation	-	-	-	654,262	654,262
Proceeds of certificates of participation	-	-	-	15,820,000	15,820,000
Payment to escrow agent	-	-	-	(16,495,000)	(16,495,000)
Transfers in	-	-	-	3,611,889	3,611,889
Transfers out	-	-	-	(2,452)	(2,452)
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,588,699</u>	<u>3,588,699</u>
Net change in fund balances	<u>17,134</u>	<u>199,687</u>	<u>216,821</u>	<u>(1,730,004)</u>	<u>(1,513,183)</u>
FUND BALANCES					
Beginning of year	37,324	380,128	417,452	3,443,348	3,860,800
End of year	<u>\$ 54,458</u>	<u>579,815</u>	<u>634,273</u>	<u>1,713,344</u>	<u>2,347,617</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2004

	<u>Parks – 1998</u>	<u>Public Works Facility – 1995 and 2002</u>	<u>R & S – 1997 and 1999</u>	<u>City Hall</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 1,005,847	231,850	-	101,486	1,339,183
Investments	-	2,489	-	-	2,489
Receivables:					
Municipal taxes	421,436	-	-	-	421,436
Due from other funds	-	-	-	4,144	4,144
Total assets	<u>\$ 1,427,283</u>	<u>234,339</u>	<u>-</u>	<u>105,630</u>	<u>1,767,252</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	260	-	-	260
Deferred revenue	53,648	-	-	-	53,648
Total liabilities	<u>53,648</u>	<u>260</u>	<u>-</u>	<u>-</u>	<u>53,908</u>
Fund balances					
	1,373,635	234,079	-	105,630	1,713,344
Total liabilities and fund balances	<u>\$ 1,427,283</u>	<u>234,339</u>	<u>-</u>	<u>105,630</u>	<u>1,767,252</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the year ended December 31, 2004

	Parks – 1998	Public Works Facility – 1995 and 2002	R & S – 1997 and 1999	City Hall	Total
REVENUES					
Municipal taxes	\$ 829,209	-	-	-	829,209
Investment income	8,743	2,385	(418)	10,970	21,680
Total revenues	<u>837,952</u>	<u>2,385</u>	<u>(418)</u>	<u>10,970</u>	<u>850,889</u>
EXPENDITURES					
Principal	510,000	155,000	1,015,000	400,000	2,080,000
Interest and fiscal charges	370,310	72,115	1,100,338	2,202,072	3,744,835
Cost of issuance	-	-	-	344,757	344,757
Total expenditures	<u>880,310</u>	<u>227,115</u>	<u>2,115,338</u>	<u>2,946,829</u>	<u>6,169,592</u>
Deficiency of revenues under expenditures	<u>(42,358)</u>	<u>(224,730)</u>	<u>(2,115,756)</u>	<u>(2,935,859)</u>	<u>(5,318,703)</u>
OTHER FINANCING SOURCES (USES)					
Premium on refunding certificates of participation	-	-	-	654,262	654,262
Proceeds of certificates of participation	-	-	-	15,820,000	15,820,000
Payment to escrow agent	-	-	-	(16,495,000)	(16,495,000)
Transfers in	-	222,351	2,115,756	1,273,782	3,611,889
Transfers out	-	(2,452)	-	-	(2,452)
Total other financing sources (uses)	<u>-</u>	<u>219,899</u>	<u>2,115,756</u>	<u>1,253,044</u>	<u>3,588,699</u>
Net changes in fund balances	<u>(42,358)</u>	<u>(4,831)</u>	<u>-</u>	<u>(1,682,815)</u>	<u>(1,730,004)</u>
FUND BALANCES					
Beginning of year	1,415,993	238,910	-	1,788,445	3,443,348
End of year	<u>\$ 1,373,635</u>	<u>234,079</u>	<u>-</u>	<u>105,630</u>	<u>1,713,344</u>

CITY OF CHESTERFIELD, MISSOURI
Debt Service - Parks 1998 - Nonmajor Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended December 31, 2004

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 743,862	829,209	85,347
Interest on investments	15,000	8,743	(6,257)
Total revenues	<u>758,862</u>	<u>837,952</u>	<u>79,090</u>
EXPENDITURES			
Debt service:			
Principal	510,000	510,000	-
Interest and other charges	372,810	370,310	2,500
Total expenditures	<u>882,810</u>	<u>880,310</u>	<u>2,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(123,948)</u>	<u>(42,358)</u>	<u>81,590</u>
Net change in fund balances	<u>\$ (123,948)</u>	<u>(42,358)</u>	<u>81,590</u>

CITY OF CHESTERFIELD, MISSOURI
Debt Service - Public Works Facility 1995 and 2002 - Nonmajor Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended December 31, 2004

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUES	\$ 100	2,385	2,285
EXPENDITURES			
Debt service:			
Principal	155,000	155,000	-
Interest and other charges	74,615	72,115	2,500
Total expenditures	<u>229,615</u>	<u>227,115</u>	<u>2,500</u>
Deficiency of revenues under expenditures	<u>(229,515)</u>	<u>(224,730)</u>	<u>4,785</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	248,433	222,351	(26,082)
Transfers out	-	(2,452)	(2,452)
Total other financing sources	<u>248,433</u>	<u>219,899</u>	<u>(28,534)</u>
Net change in fund balances	<u>\$ 18,918</u>	<u>(4,831)</u>	<u>(23,749)</u>

CITY OF CHESTERFIELD, MISSOURI
Debt Service - R&S 1997 and 1999 - Nonmajor Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended December 31, 2004

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES	\$ -	(418)	418
EXPENDITURES			
Debt service:			
Principal	1,015,000	1,015,000	-
Interest and other charges	1,105,338	1,100,338	5,000
Total expenditures	<u>2,120,338</u>	<u>2,115,338</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures	(2,120,338)	(2,115,756)	4,582
OTHER FINANCING SOURCES			
Transfers in	2,120,338	2,115,756	(4,582)
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>-</u>

CITY OF CHESTERFIELD, MISSOURI
Debt Service - City Hall - Nonmajor Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the year ended December 31, 2004

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES	\$ 300	10,970	10,670
EXPENDITURES			
Debt service:			
Principal	400,000	400,000	-
Interest and other charges	907,785	2,202,072	(1,294,287)
Bond issuance costs	-	344,757	(344,757)
Total expenditures	<u>1,307,785</u>	<u>2,946,829</u>	<u>(1,639,044)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,307,485)</u>	<u>(2,935,859)</u>	<u>(1,628,374)</u>
OTHER FINANCING SOURCES			
Premium refunding certificates of participation	-	654,262	654,262
Proceeds of certificates of participation	-	15,820,000	15,820,000
Payment to escrow agent	-	(16,495,000)	(16,495,000)
Transfers in	<u>1,307,785</u>	<u>1,273,782</u>	<u>(34,003)</u>
Total other financing sources	<u>1,307,785</u>	<u>1,253,044</u>	<u>(54,741)</u>
Net change in fund balances	<u>\$ 300</u>	<u>(1,682,815)</u>	<u>(1,683,115)</u>

Capital Project Major Fund

Capital Project Funds are used to account for financial resources to be used for acquisition or construction of major capital facilities.

Fiduciary Fund Types

Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

Agency Funds

Court Bond Fund - This fund is used to account for monies received and held as bond deposits to ensure defendants' appearances in court.

Explorers' Fund - This fund is used to account for proceeds received in connection with a joint program sponsored by the City and the local explorer's post.

Highway 40 Trust Fund - This fund is used to account for collection and release of monies for future roadway improvements contemplated in a construction development within the City. Collection of monies ensure completion of projects and restoration of the surrounding area. An inspection by the City is necessary to release funds.

Miscellaneous Escrow Fund - This fund is used to account for the collection and release of monies in connection with various permits issued for construction projects in which the contractor must comply with certain requirements. Collection of monies ensure completion of projects and restoration of the surrounding area. An inspection by the City is necessary to release funds.

CITY OF CHESTERFIELD, MISSOURI
Capital Project Fund - Capital Project Major Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the year ended December 31, 2004

Schedule 12

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Public works	368,603	368,603	216,308	152,295
Capital outlay	<u>4,481,000</u>	<u>4,599,800</u>	<u>2,126,425</u>	<u>2,473,375</u>
Total expenditures	<u>4,849,603</u>	<u>4,968,403</u>	<u>2,342,733</u>	<u>2,625,670</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,849,603)</u>	<u>(4,968,403)</u>	<u>(2,342,733)</u>	<u>2,625,670</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>4,849,603</u>	<u>4,849,603</u>	<u>2,342,733</u>	<u>(2,506,870)</u>
Net change in fund balances	<u>\$ -</u>	<u>(118,800)</u>	<u>-</u>	<u>118,800</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Fiduciary Net Assets
Agency Funds
December 31, 2004

Schedule 13

	Court Bond Fund	Explorer's Fund	Highway 40 Trust Fund	Miscellaneous Escrow Fund	Total Agency Funds
ASSETS					
Cash and cash equivalents	\$ 79,641	9,331	226,604	1,484,560	1,800,136
LIABILITIES					
Accounts payable and accrued liabilities	-	9,331	226,604	-	235,935
Deposits held in Escrow	79,641	-	-	1,484,560	1,564,201
Total liabilities	79,641	9,331	226,604	1,484,560	1,800,136
NET ASSETS	\$ -	-	-	-	-

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the year ended December 31, 2004

	Balance December 31, 2003	Additions	Deductions	Balance December 31, 2004
Court Bond Fund				
Assets - cash and cash equivalents	\$ 85,078	15,612	21,049	79,641
Liabilities - deposits held in escrow	\$ 85,078	15,612	21,049	79,641
Explorer's Fund				
Assets - cash and cash equivalents	\$ 7,329	2,500	498	9,331
Liabilities - accounts payable	\$ 7,329	2,500	498	9,331
Highway 40 Trust Fund				
Assets - cash and cash equivalents	\$ 224,053	113,861,063	113,858,512	226,604
Liabilities - trust fund payable	\$ 224,053	113,861,063	113,858,512	226,604
Miscellaneous Escrow Fund				
Assets - cash and cash equivalents	\$ 1,575,668	404,596	495,704	1,484,560
Liabilities - deposits held in escrow	\$ 1,575,668	404,596	495,704	1,484,560
Total - All Agency Funds				
Assets - cash and cash equivalents	\$ 1,892,128	114,283,771	114,375,763	1,800,136
Liabilities:				
Accounts payable	\$ 231,382	113,863,563	113,859,010	235,935
Deposits held in escrow	1,660,746	420,208	516,753	1,564,201
Total liabilities	\$ 1,892,128	114,283,771	114,375,763	1,800,136



Statistical Section

Table 1

CITY OF CHESTERFIELD, MISSOURI
 Government-wide Expenses by Function
 Fiscal Year 2004

<u>Function</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General government	\$ 2,779,184	2,596,258	2,732,076
Parks and recreation	1,733,646	1,759,887	1,819,602
Judicial	173,865	169,118	177,183
Planning	629,707	588,615	592,138
Public works	16,058,649	14,763,996	12,830,243
Public safety	6,733,157	6,540,437	6,694,462
Community development	177,757	179,090	139,090
Interest and fiscal charges	6,604,298	4,594,305	5,598,446
Total	<u>\$34,890,263</u>	<u>31,191,706</u>	<u>30,583,240</u>

Source: Basic financial statements.

CITY OF CHESTERFIELD, MISSOURI
 Government-wide Revenues by Source
 Fiscal Year 2004

Table 2

<u>Source:</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Program Revenues:			
Charges for services	\$ 2,391,047	2,170,814	2,382,363
Operating grants and contributions (1)	3,522,123	4,901,639	4,005,610
Capital grants and contributions (2)	984,191	1,396,652	365,850
General Revenues:			
Taxes (1)	25,172,443	25,680,498	28,490,375
Unrestricted interest earnings	1,022,026	486,186	524,489
Sale of capital assets (3)	177,094	-	-
Miscellaneous (2)	300,798	299,820	284,068
Total Revenues	<u>\$33,569,722</u>	<u>34,935,609</u>	<u>36,052,755</u>

Source: Basic financial statements.

- (1) In 2002, reclassification of motor vehicle fuel and sales taxes and road and bridge taxes from from general revenues to program revenues.
- (2) In 2002, reclassification of contributed capital assets in the amount of \$956,072 from general revenue to program revenues.
- (3) In 2003, reclassification of loss in sale of capital assets from sale of capital assets to general government expense.

Table 3

CITY OF CHESTERFIELD, MISSOURI
 General Governmental Expenditures by Function
 Last Ten Fiscal Years

<u>Function</u>	<u>1995</u>	<u>1996 (1)</u>	<u>1997 (2)</u>	<u>1998 (3)</u>	<u>1999</u>	<u>2000</u>	<u>2001(4)</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Legislative	\$ 70,078	68,826	70,157	70,507	69,632	67,681	70,100	90,361	67,900	66,654
Administrative	1,489,115	1,684,613	1,947,219	1,949,709	2,010,632	2,335,494	2,466,183	2,356,730	2,223,512	2,233,492
Police services	3,760,415	4,155,693	4,326,367	4,800,224	5,183,018	5,646,960	5,990,868	6,393,749	6,411,744	6,494,154
Judicial	132,015	166,340	169,848	155,715	169,123	201,486	166,020	172,506	170,479	176,164
Planning and zoning	367,673	327,904	390,307	395,984	511,233	479,816	604,575	616,432	578,545	587,488
Public works	2,933,474	2,493,202	2,625,200	2,885,030	3,139,371	3,420,515	3,840,639	10,738,816	9,158,419	8,967,526
Parks and recreation	62,053	138,283	196,713	534,487	708,644	876,496	1,087,224	1,237,505	1,251,006	1,417,304
Capital outlay	4,170,729	9,241,840	18,363,647	15,757,867	36,150,760	14,822,309	25,871,583	7,243,084	6,161,779	4,312,287
Debt service	499,815	1,262,643	1,875,086	4,124,939	3,559,125	4,448,201	8,669,255	10,873,798	12,574,207	14,556,582
Total	\$ 13,485,367	19,539,344	29,964,544	30,674,462	51,501,538	32,298,958	48,766,447	39,722,981	38,597,591	38,811,651

Notes:

- (1) The City used proceeds from a 1995 general obligation parks bond issue for the acquisition of land and 1995 certificates of participation to construct a Public Works Facility in 1996.
- (2) The City used proceeds from a 1997 general obligation bond issued for the reconstruction of streets and sidewalks.
- (3) The City began paying principal on 1997 general obligation bond issue for the reconstruction of streets and sidewalks in 1998.
- (4) The City constructed its new City Hall and Police Station in 2001.

Source: Basic/general purpose financial statements.
 Includes all governmental fund types.

Table 4

CITY OF CHESTERFIELD, MISSOURI
 General Governmental Revenues By Source
 Last Ten Fiscal Years

<u>Source:</u>	<u>1995(1)(2)</u>	<u>1996</u>	<u>1997 (3)</u>	<u>1998 (4)</u>	<u>1999</u>	<u>2000(5)</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Municipal taxes (1)(2)(3)(5)	\$ 9,314,116	9,994,622	12,472,104	16,074,702	15,787,580	20,635,526	23,048,775	23,810,751	26,088,776	27,821,141
Intergovernmental	2,962,059	3,408,192	3,337,035	3,187,651	3,380,950	3,657,545	3,872,511	3,717,677	5,454,920	4,347,485
License and permits	597,177	611,892	663,124	705,325	769,220	914,451	1,021,734	1,052,996	1,115,271	1,223,489
Charges for services, net	153,651	142,508	209,030	384,594	389,133	487,716	499,958	589,478	557,289	593,756
Court fines and forfeitures	516,212	521,039	409,817	479,621	690,546	799,467	765,774	836,305	751,382	811,406
Investment income	1,092,832	1,286,497	1,571,740	1,223,161	1,165,676	2,424,203	1,967,686	987,111	346,057	524,489
Miscellaneous	38,231	72,742	55,507	137,673	175,165	631,037	423,090	398,475	482,723	319,757
Total	\$ 14,674,278	16,037,492	18,718,357	22,192,727	22,358,270	29,549,945	31,599,528	31,392,793	34,796,418	35,641,523

Notes:

- (1) Upon the successful outcome of litigation in 1995, the City recognized \$213,182 in deferred sales tax revenues from prior years and began recognizing new sales revenue under a county-wide sales tax redistribution formula.
- (2) The City adopted a property tax in 1995 and also received property tax revenue due to incremental growth in assessed valuation from the Chesterfield Valley TIF District.
- (3) The City passed a 1/2 cent capital improvements sales tax in November 1996 and began receiving the tax in April 1997.
- (4) The City recognized \$1,426,410 in local use tax in 1998 which had been previously held in deferred revenue pending the settlement of litigation.
- (5) The City passed a \$28 fee per household in 2000 for repairs to residential sanitary sewer laterals.

Source: Basic/general purpose financial statements.
 Includes all governmental fund types

Table 5

CITY OF CHESTERFIELD, MISSOURI
Municipal Tax Revenues by Source
Last Ten Fiscal Years

<u>Source:</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998 (5)</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Property tax (2)	\$ 1,325,557	1,560,636	1,848,504	2,078,155	2,949,830	5,305,275	6,602,637	6,553,172	8,352,401	9,191,619
Sewer lateral (5)	-	-	-	-	-	396,699	403,293	402,731	373,363	465,261
Utility gross receipts tax	3,359,052	3,667,368	3,799,169	3,868,894	3,999,872	4,306,962	4,612,239	4,233,487	4,401,379	4,399,263
Sales/use tax (1)(3)(4)	<u>4,629,507</u>	<u>4,766,618</u>	<u>6,824,431</u>	<u>10,127,653</u>	<u>8,837,878</u>	<u>10,626,590</u>	<u>11,430,606</u>	<u>12,621,361</u>	<u>12,961,633</u>	<u>13,764,998</u>
Total	<u>\$ 9,314,116</u>	<u>9,994,622</u>	<u>12,472,104</u>	<u>16,074,702</u>	<u>15,787,580</u>	<u>20,635,526</u>	<u>23,048,775</u>	<u>23,810,751</u>	<u>26,088,776</u>	<u>27,821,141</u>

Notes:

- (1) Upon the successful outcome of litigation in 1995, the City recognized \$213,182 in deferred sales tax revenues from prior years and began recognizing new sales revenue under a county-wide sales tax redistribution formula.
- (2) The City adopted a property tax in 1995 and also received property tax revenue due to incremental growth in assessed valuation from the Chesterfield Valley TIF District.
- (3) The City passed a 1/2 cent capital improvements sales tax in November 1996 and began receiving the tax in April 1997.
- (4) The City recognized \$1,426,410 in local use tax in 1998 which had been previously held in deferred revenue pending the settlement of litigation.
- (5) The City passed a \$28 fee per household in 2000 for repairs to residential sanitary sewer laterals.

Source: Basic/general purpose financial statements.

Table 6

CITY OF CHESTERFIELD, MISSOURI
Intergovernmental Revenues by Source
Last Ten Fiscal Years

<u>Source:</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Motor fuel tax	\$ 1,004,142	1,107,221	1,176,692	1,188,472	1,211,357	1,238,693	1,213,770	1,280,119	1,341,887	1,368,687
Motor vehicle sales tax	429,913	442,558	464,671	491,682	528,059	483,599	571,508	577,317	575,009	586,880
Cigarette tax	196,817	198,837	190,960	190,713	186,783	191,028	178,708	177,541	175,886	172,255
Road and bridge tax	858,907	879,913	922,582	998,344	1,064,557	1,159,953	1,254,710	1,286,086	1,229,506	1,449,721
Police block grant	-	-	-	-	9,782	13,692	19,462	12,015	1,317	3,368
Police traffic service grant	3,557	1,771	-	6,956	2,153	58,625	33,891	22,405	26,492	45,219
Federal emergency management assistance grant	53,404	106	-	-	-	-	-	-	4,635	9,602
COPS grant - Federal	18,667	72,668	94,166	87,949	156,467	198,472	228,075	197,499	7,912	6,006
COPS grant - Parkway	4,763	28,555	41,593	49,838	77,206	85,705	70,609	78,701	161,192	172,556
Police academy grant	45,118	47,697	46,221	51,027	55,388	60,244	63,808	59,580	59,200	65,551
Federal aid urban grant	14,618	-	-	-	-	21,391	142,478	-	-	-
St. Louis County Bonhomme Creek reimbursement	6,038	-	8,503	45,492	33,187	-	-	-	-	-
Community Development Block Grant	249,951	-	33,000	-	-	-	-	-	-	-
EDA Grant	-	495,028	186,872	-	-	-	-	-	-	-
Solid Waste Grant	-	66,055	72,838	15,367	4,995	7,561	-	-	-	-
NCAP Grant	-	14,381	36,624	31,712	40,700	20,143	-	-	-	-
Branch Out Missouri	-	-	24,562	-	6,503	13,024	9,336	-	-	-
Mall Grant/Dare Grant	-	-	-	-	-	10,000	20,000	5,000	5,000	4,393
Police Forfeitures	-	-	-	-	-	23,060	5,319	23,727	42,026	60,418
Municipal Park Commissioner	-	-	-	-	-	-	-	-	138,649	200,000
Highway 340 Enhancement Grants, other	-	-	-	-	-	-	-	-	1,633,209	95,493
	76,164	53,402	37,751	30,099	3,813	993	60,837	(2,313)	53,000	107,336
Total	<u>\$ 2,962,059</u>	<u>3,408,192</u>	<u>3,337,035</u>	<u>3,187,651</u>	<u>3,380,950</u>	<u>3,586,183</u>	<u>3,872,511</u>	<u>3,717,677</u>	<u>5,454,920</u>	<u>4,347,485</u>

Source: Basic/general purpose financial statements.

Table 7

CITY OF CHESTERFIELD, MISSOURI
Licenses and Permits
Last Ten Fiscal Years

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Business licenses	\$ 292,331	288,446	327,774	309,966	349,336	404,218	408,061	410,358	436,965	510,329
Liquor licenses	30,145	36,592	31,989	40,189	37,994	43,745	44,279	47,606	50,885	55,490
Vending licenses	23,775	19,488	19,075	22,858	19,684	22,306	24,419	25,188	23,188	24,400
Franchise fees (1)	236,429	251,427	273,874	322,038	347,502	425,803	527,579	556,212	584,198	613,971
Miscellaneous	14,497	15,939	10,412	10,274	14,704	18,379	17,396	13,632	20,035	19,299
Total	<u>\$ 597,177</u>	<u>611,892</u>	<u>663,124</u>	<u>705,325</u>	<u>769,220</u>	<u>914,451</u>	<u>1,021,734</u>	<u>1,052,996</u>	<u>1,115,271</u>	<u>1,223,489</u>

Notes:

(1) The City increased the license tax on cable television franchises from 3% to 5% on February 20, 1995.

Source: Basic/general purpose financial statements.

Table 8

CITY OF CHESTERFIELD, MISSOURI
Charges for Services
Last Ten Fiscal Years

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998 (1)</u>	<u>1999</u>	<u>2000 (2)</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Engineering inspection fees	\$ 57,936	57,452	107,887	83,694	90,078	63,281	67,087	69,414	47,032	51,343
Subdivision processing fees	6,486	6,651	9,608	11,092	30,769	2,693	9,763	12,554	10,928	13,910
Zoning applications	18,882	12,874	11,363	10,842	19,477	15,895	12,680	11,549	8,004	11,902
Police reports	14,985	15,685	17,047	17,755	19,864	18,577	18,468	19,010	17,050	14,455
False alarms	42,528	33,444	38,600	38,000	41,250	42,850	39,700	46,200	46,874	34,800
Pool passes and concessions	-	-	-	150,180	160,320	167,235	230,609	244,026	177,411	166,122
CVAC rentals and concessions	-	-	-	-	-	99,471	83,405	135,529	177,695	217,437
Other charges	<u>12,834</u>	<u>16,402</u>	<u>24,525</u>	<u>73,031</u>	<u>27,375</u>	<u>77,714</u>	<u>38,246</u>	<u>51,196</u>	<u>72,295</u>	<u>83,787</u>
Total	<u>\$153,651</u>	<u>142,508</u>	<u>209,030</u>	<u>384,594</u>	<u>389,133</u>	<u>487,716</u>	<u>499,958</u>	<u>589,478</u>	<u>557,289</u>	<u>593,756</u>

Notes:

(1) The City opened its Central Park Pool in 1998.

(2) The City opened its Chesterfield Valley Athletic Complex (CVAC) in 2000.

Source: Basic/general purpose financial statements.

Table 9

CITY OF CHESTERFIELD, MISSOURI
Assessed and Estimated Actual Value of Taxable Property (1)(2)(3)
Last Ten Fiscal Years

	Real Property	Personal Property	Railroad and Utilities	Totals	
				Assessed Value	Estimated Actual Value
1995	\$ 655,300,640	141,510,637	14,635,156	811,446,433	3,619,761,616
1996	676,795,720	160,550,273	16,131,252	853,477,245	3,775,913,753
1997	737,719,530	171,773,003	14,471,771	923,964,304	4,103,912,637
1998	761,919,280	181,319,540	14,492,392	957,731,212	4,247,538,403
1999	839,087,390	193,552,326	14,430,676	1,047,070,392	4,613,115,168
2000	896,862,030	225,781,266	15,328,434	1,137,971,730	4,938,358,639
2001	1,023,122,130	235,079,429	17,702,083	1,275,903,642	5,554,533,322
2002	1,047,229,350	242,742,813	18,848,635	1,308,820,798	5,697,834,859
2003	1,112,091,390	232,850,793	14,349,788	1,359,291,971	5,967,969,998
2004	1,133,474,520	230,120,840	14,332,180	1,377,927,540	5,990,989,304

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

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

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

Source: St. Louis County Collector.

Table 10

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Taxes levied on all property in the City in the City of Chesterfield:										
City of Chesterfield (1)	\$.130	.130	.130	.130	.130	.100	.060	.060	.060	.060
State of Missouri	.030	.030	.030	.030	.030	.030	.030	.030	.030	.030
St. Louis County	.580	.580	.580	.580	.580	.580	.580	.580	.580	.580
Special School District	.620	.630	.620	.640	.620	.623	.835	.849	.864	.905
St. Louis Community College	.240	.240	.240	.240	.240	.240	.230	.232	.231	.237
St. Louis County Library	.140	.140	.140	.140	.140	.140	.140	.140	.140	.150
Metropolitan St. Louis Sewer District (Extension)	.020	.020	.020	.020	.020	.020	.019	.019	.019	.019
Metropolitan Zoological Park and Museum District	.228	.232	.232	.232	.227	.232	.222	.222	.226	.276
Sheltered Workshop	.085	.085	.085	.085	.085	.085	.085	.085	.085	.085
Total	<u>\$ 2.073</u>	<u>2.087</u>	<u>2.077</u>	<u>2.097</u>	<u>2.072</u>	<u>2.050</u>	<u>2.201</u>	<u>2.217</u>	<u>2.235</u>	<u>2.342</u>
School districts (2):										
Parkway	3.44	3.44	3.76	3.64	3.66	3.59	3.603	3.455	3.511	3.692
Rockwood	4.53	4.54	4.54	4.49	4.52	4.48	4.525	4.421	4.439	4.633
Fire protection districts (3):										
Metro West	.95	1.03	1.04	1.03	1.03	1.03	1.021	.972	.997	1.098
Chesterfield	.92	1.06	1.00	1.03	1.04	1.02	1.019	.995	.979	1.067

Notes:

- (1) The City was incorporated on June 1, 1988. No property tax was levied by the City until 1995 when the voters approved an \$11 million general obligation bond issue for parks. The entire levy funds debt service.
- (2) All property is located in one of the two school districts whose boundaries include part of the City.
- (3) All property is located in one of the two fire protection districts whose boundaries include part of the City.

Source: St. Louis County Collector.

Table 11

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
1996(1)	\$ 1,585	\$ 1,498	94.5 %	\$ 63	\$ 1,561	98.5 %	\$ 100	6.3 %
1997	1,891	1,769	93.5	79	1,848	97.7	143	7.6
1998	2,187	1,937	88.6	141	2,078	95.0	252	11.5
1999	3,302	2,806	85.0	144	2,950	89.3	604	18.3
2000	5,425	4,925	90.8	380	5,305	97.8	724	13.3
2001	7,069	6,451	91.2	152	6,603	93.4	1,190	16.8
2002	7,257	6,556	90.3	(3)	6,553	90.3	1,894	26.1
2003	8,169	7,740	94.7	613	8,352	102.2	1,711	20.9
2004	9,160	8,657	94.5	534	9,190	100.3	1,680	18.3

Note:

(1) 1996 was the second year that the City of Chesterfield had a property tax levy.

CITY OF CHESTERFIELD, MISSOURI
Legal Debt Margin
December 31, 2004

Table 12

Assessed value of the City of Chesterfield for 2004	<u>\$ 1,377,927,540</u>
Limit of bonded indebtedness at 10% of assessed value	<u>\$ 137,792,754</u>
Total bonded debt	29,840,000
Less amount available in Debt Service Fund for bonded debt	<u>(1,373,636)</u>
Bonded debt applicable to debt limit	<u>28,466,364</u>
Legal debt margin	<u>\$ 109,326,390</u>

Note: Bonded indebtedness is limited by Sections 95.115 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

Table 13

CITY OF CHESTERFIELD, MISSOURI
 Ratio of Annual Debt Service Expenditures for General Bonded Debt to
 Total General Governmental Expenditures
 Last Nine Fiscal Years (1)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1996 (1)	\$ 265,000	\$ 683,037	\$ 948,037	\$ 19,539,344	2.6 %
1997 (2)	285,000	1,035,169	1,320,169	29,964,544	4.4
1998 (3)	1,630,000	1,167,451	2,797,451	30,674,462	9.1
1999 (4)	1,845,000	1,117,876	2,962,876	51,501,538	5.8
2000	935,000	1,953,350	2,888,350	32,298,958	8.9
2001	1,295,000	1,680,333	2,975,333	48,766,447	6.1
2002	1,370,000	1,608,231	2,978,231	39,722,981	7.5
2003	1,440,000	1,538,273	2,978,273	38,597,591	7.7
2004	1,525,000	1,470,648	2,995,648	38,811,651	7.7

Notes:

- (1) 1996 was the second year that the City had general bonded indebtedness.
- (2) The City issued \$14,230,000 in additional general bonded indebtedness in 1997.
- (3) The City did an advance refunding of the general obligation debt for parks in 1998.
- (4) The City issued \$15,125,000 in additional general bonded indebtedness in 1999.

Source: Basic/general purpose financial statements.

Table 14

CITY OF CHESTERFIELD, MISSOURI
Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
Last Ten Fiscal Years (1)

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Bonded Debt</u>	<u>Amount Available in Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1995 (2)	42,325	\$811,446,433	\$ 11,000,000	\$ 998,144	\$10,001,858	1.2 % \$	236
1996	42,325	853,477,245	10,735,000	1,134,895	9,600,105	1.1	227
1997 (3)	42,325	923,964,304	24,680,000	1,490,337	23,189,663	2.5	548
1998 (4)	42,325	957,731,212	23,125,000	1,071,663	22,053,337	2.3	521
1999 (5)	42,325	1,047,070,392	36,405,000	1,472,911	34,932,089	3.3	825
2000	42,325	1,137,971,730	35,470,000	1,766,376	33,703,624	3.0	796
2001 (6)	46,802	1,275,903,642	34,175,000	1,680,422	32,494,578	2.6	694
2002	46,802	1,308,820,798	32,805,000	1,570,180	31,234,820	2.4	667
2003	46,802	1,359,291,971	31,365,000	1,415,993	29,949,007	2.2	640
2004	46,802	1,377,927,540	29,840,000	1,373,636	28,466,364	2.1	608

- Notes:
- (1) 1995 was the first year that the City had general bonded indebtedness.
 - (2) Population data is estimated using the 1992 U.S. Census Bureau data for the area.
 - (3) The City issued \$14,230,000 in additional general bonded indebtedness in 1997.
 - (4) The City did an advance refunding of the general obligation debt for parks in 1998.
 - (5) The City issued \$15,125,000 in additional general bonded indebtedness in 1999.
 - (6) The City's population, reported by the Bureau of the Census in 2001, was 46,802.

Table 15

CITY OF CHESTERFIELD, MISSOURI
 Computation of Direct and Overlapping Debt
 December 31, 2004

	<u>General Obligation Debt</u>	<u>Percent Applicable to the City of Chesterfield</u>		<u>Amount Applicable to the City of Chesterfield</u>
City of Chesterfield	\$ 29,840,000	100.00	%	\$ 29,840,000
St. Louis County	107,830,000	7.05		7,602,015
Parkway School District (1)	110,822,349	24.58		27,240,133
Rockwood School District (1)	148,263,332	17.35		25,723,688
Monarch Fire Protection District (1)	4,300,000	73.47		3,159,210
Metro West Fire Protection District	6,710,000	72.90		4,891,590
Total overlapping	<u>377,925,681</u>			<u>68,616,636</u>
 Total	<u>\$ 407,765,681</u>			<u>\$ 98,456,636</u>
 Total debt per capita (2)				<u>\$ 2,104</u>

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

(2) Based upon a population of 46,802.

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

Table 16

CITY OF CHESTERFIELD, MISSOURI
Building Permits and Construction (1)
Last Ten Fiscal Years

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
New construction:										
Number of permits	\$ 619	712	652	846	836	938	849	867	1,024	985
Value of construction	<u>40,005,131</u>	<u>49,994,194</u>	<u>47,738,060</u>	<u>69,442,017</u>	<u>74,393,000</u>	<u>79,935,275</u>	<u>95,917,550</u>	<u>56,191,759</u>	<u>81,213,436</u>	<u>77,046,553</u>
Alternations/additions:										
Number of permits	\$ 2,164	2,051	2,113	2,799	2,977	3,261	3,010	3,163	4,093	4,176
Value of construction	<u>22,043,850</u>	<u>23,902,052</u>	<u>28,004,804</u>	<u>59,924,899</u>	<u>83,798,766</u>	<u>48,696,005</u>	<u>71,845,736</u>	<u>42,768,958</u>	<u>62,524,504</u>	<u>79,348,167</u>
Building demolitions – number of permits	\$ -	-	-	-	-	-	-	-	-	-

Notes: (1) The City has not established a building commissioner’s office within the organization. St. Louis County currently building inspection services. Information regarding 1988 permits is unavailable. The City was incorporated on June 1, 1988.

Source: Planning Department, City of Chesterfield, Missouri.

CITY OF CHESTERFIELD, MISSOURI
Bank Deposits
Last Ten Fiscal Years

	<u>Amount (1)</u>
1995	\$ 610,500,754
1996	638,068,841
1997	646,214,924
1998 (2)	744,181,172
1999 (3)	574,477,723
2000	634,474,529
2001 (4)	638,719,935
2002	641,717,121
2003 (5)	592,040,111
2004 (6)	588,563,191

Notes: (1) Represents deposits of the 11 bank facilities located in the City of Chesterfield.

(2) Roosevelt Bank and Mark Twain Parkway Banks were brought out by Mercantile Bank and the branch banks in Chesterfield were closed in 1998.

(3) Several banks were taken over by other banks in 2000. NationsBank was bought out by Bank of America, Mercantile Bank by Firststar, and Magna by Union Planters.

(4) Firststar became US Bank in January of 2002.

(5) Founders Bank became Bank Midwest, N.A in 2003.

(6) Allegiant Bank became National City Bank in 2004

Source: Bank Midwest, N.A., Olive Street Bremen Bank and Trust, Cass Bank and Trust, Commerce Bank of St. Louis, N.A., First Bank - Clarkson, First Bank - First Missouri Center, First National Bank of St. Louis, N.A., National City Bank, U. S. Bank -Hilltown Village, and Clarkson Road, and Union Planters Bank.

Table 18

CITY OF CHESTERFIELD, MISSOURI
 Schedule of Insurance in Force
 December 31, 2004

Type of Coverage/ Insurance Carrier	Policy Number	Policy Period	Deductible	Liability Limits	Annual Premium
General liability	GL 0021-03	7/1/04-	\$ 500	\$ 2,000,000	\$ 104,886
Police liability	PL0021-03	7/1/05	2,500	-	-
Automobile liability/ St. Louis Area Insurance Trust (SLAIT)	AL 0021-03		500	-	-
Property/ Chubb Insurance Group	200104	7/1/04- 7/1/05	Prop 1,000 Auto 2,500	17,108,970 2,729,063	105,148
DIC-Excess earthquake liability Great American Insurance	IMP 1623605	7/1/04- 7/1/05	-	12,108,970	8,280
Public Officials/ Illinois Union Insurance	EONN00572974	7/1/04- 7/1/05	25,000 -	1,000,000/ 1,000,000	35,032 -
Workers' Compensation/St. Louis Insurance Trust (SLAIT)	2002-04	7/1/04- 7/1/05	N/A	Statutory	188,212
Public Employees/Blanket Bond St. Paul Fire & Marine Ins.	406GC9727	9/9/04- 9/9/05	2,500	100,000	1,321
Flood Insurance Public Works (Building & Contents)/Travelers	6002791736	01/05/04- 01/05/05	500 / 500	500,000/500,000	3,326
Flood Insurance - Travelers Concession stand # 1 (bldg/cts)	6004232408	05/30/04-05	500 / 500	250,000/34,000	2,150
Concession stand # 2 (bldg/cts)	6004232416	05/30/04-05	500 / 500	250,000/34,000	2,150
Maintenance Bldg. (bldg/cts) 17925 N. Outer 40	6004232390	05/30/04-05	500 / 500	250,000/34,000	2,150
Fiduciary Bond/Travelers	051 FF 103003485	11/3/04- 11/3/05	-	1,000,000	1,980
Underground storage Tanks/MO UST	0009914	2/24/04- 2/24/05	10,000	1,000,000	200
Jeremy Craig Bond Capitol Indemnity	PO00908457	4/21/04- 4/21/05	-	100,000	332
Michael Lambert Notary/ Western Surety	14445757N	9/5/02- 9/4/06	-	10,000	50
Judith A. Naggiar Notary/ Reliance	U6252393	01/04/04- 01/4/07	-	10,000	50
Martha L. Demay Notary/ Western Surety	N54229080	05/12/01- 05/11/05	-	10,000	50
Kathryn M. Lone Notary/ Reliance	U6252599-04	02/28/00- 02/28/04	-	10,000	50
Kathy Jackson Notary/ Western Surety	14518247NOO	09/09/03- 09/08/07	-	10,000	50

Source: City's insurance policies.

Table 19

CITY OF CHESTERFIELD, MISSOURI
Salaries and Surety Bonds of Principal Officials
December 31, 2004

<u>Name and Title of Official</u>	<u>Annual Salary</u>	<u>Amount Surety Bond</u>
Michael G. Herring, City Administrator	\$ 127,790	(1)
Jeremy Craig, Director of Finance and Administration	77,865	\$ 100,000
Marty DeMay, City Clerk	58,006	(1)
Ray Johnson, Police Chief	99,120	(1)
Teresa Price, Director of Planning	85,068	(1)
Mike Geisel, Director of Public Works/City Engineer	98,093	(1)

Note: (1) Blanket surety coverage of \$100,000.

CITY OF CHESTERFIELD, MISSOURI
Miscellaneous Statistical Data
December 31, 2004

Table 20

Date of incorporation as a third class city		June 1, 1988
Form of government		Mayor/Council/City Administrator
Area		32 square miles
Miles of streets (City maintained)		150
Miles of sidewalks (City maintained)		100
Number of street lights (City provided) (1)		10
Police protection:		
Number of full-time employees		99
Commissioned officers		81
Other full-time employees		10
Permanent part-time		1
Total employees, full-time		191
Fire protection:		
The City's coverage is provided by two districts:		
Metro West Protection District		
Monarch Fire Protection District		
The City is served by the Parkway and Rockwood School Districts.		
The City's electric is supplied by AmerenUE; natural gas is supplied by Laclede Gas; water is supplied by American Water Company; sewer service is provided by Metropolitan St. Louis Sewer District. All four of these companies are publicly held utilities.		
The library serving the City of Chesterfield is the Daniel Boone, the Thornhill, and Samuel Sachs branches of the St. Louis County Library System.		
Population (2):	1988	34,486
	1990	37,990
	1991	42,325
	2000	46,802
Number of households (2)	1988	
	Single family	9,105
	Multi-family	3,049
	1990	
	Single family	10,541
	Multi-family	3,246
	2000	
	Single family	13,960
	Multi-family	4,836
Per capita income:		
Median family income	1986	\$ 61,800
	2000	102,987
Per capita family income	1979	\$ 12,686
	1987	21,912
	2000	43,288
Number of registered voters	2004	34,340

(Continued)

Table 20

CITY OF CHESTERFIELD, MISSOURI
Miscellaneous Statistical Data, Continued
December 31, 2004

Principal taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed</u>	<u>Percentage of Total Assessed Valuation</u>
Pfizer	Research/development	\$ 39,001,880	2.8%
THF Chesterfield Development LLC	Developer	26,172,820	1.9%
WEA Chesterfield LLC	Chesterfield Mall	19,333,790	1.4%
FSP Timberlake Corp.	Real estate venture	14,561,140	1.1%
Ameren UE	Private utility company	11,708,919	0.8%
St. Lukes Episcopal Presbyterian Hospital	Hospital	7,472,000	0.5%
Realty Associates	Real estate venture	7,248,060	0.5%
Capitol Land Company	Real estate venture	6,960,200	0.5%
Baxter Crossing LLC	Apartment project	6,922,650	0.5%
Chesterfield Ridge Center	Real estate venture	4,893,440	0.4%
		<u>\$ 144,274,899</u>	<u>10.5%</u>

Major employers within the City of Chesterfield:

<u>Company</u>	<u>Type of Business</u>
Pfizer	Research Company
Premium Retail Services, Inc.	Retails Merchandising
McBride & Son Managements Co.	Homebuilder/Developer/Contractor
Amdocs, Inc.	Computer Software Service
Rose International	Research and Software Development
Reinsurance Group of America	Life Insurance Company
Alto U.S. Inc.	Manufacture of Floor Cleaning Products
Taylor-Morley, Inc.	Homebuilder/Developer/Contractor
Famous Barr	Department Store
Doubletree Hotel & Conference Ctr.	Hotel

Utility Customers:

<u>Year</u>	<u>Electric Meters(A)</u>	<u>Gas Meters (B)</u>	<u>Water Meters (C)</u>	<u>Telephones (D)</u>
1995	19,076	14,450	12,789	21,263
1996	19,274	14,608	13,031	23,277
1997	19,789	15,231	13,330	23,564
1998	19,860	15,502	13,317	35,500
1999	20,602	15,770	13,981	38,559
2000	21,144	16,130	14,075	35,638
2001	21,024	16,412	14,318	34,289
2002	21,414	16,617	14,425	33,955
2003	21,646	16,881	14,500	27,848
2004	<u>19,544</u>	<u>17,029</u>	<u>16,119</u>	<u>29,360</u>

Source: (A) Ameren UE
(B) Laclede Gas Company
(C) American Water Company
(D) Southwestern Bell Telephone Company

- Notes: (1) The City currently provides street lights at selected intersections within the City of Chesterfield. Streetlights are primarily provided and maintained by private subdivisions.
- (2) Population data is estimated for the area using the U.S. Census Bureau data for the area.

Source: The City's Public Works Department, Planning and Zoning Department, Finance and Administration Department, Police Department, U.S. Census Bureau, St. Louis County Department of Revenue, Board of Election Commissioners of St. Louis County, St. Louis County Fact Book and Development Strategies, St. Luke's Hospital, Rockwood and Parkway School Districts.

