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1-1-2005

## Financial Report, 2004

City of Florissant

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**CITY OF FLORISSANT,  
MISSOURI**

**Financial Report**  
(Audited)

Year Ended November 30, 2004

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# CITY OF FLORISSANT, MISSOURI

## FINANCIAL REPORT

	Page
<b>SECTION I - FINANCIAL SECTION</b>	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	14
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Assets - Enterprise Fund	17
Statement of Revenues, Expenses, and Changes in Net Assets - Enterprise Fund	18
Statement of Cash Flows - Enterprise Fund	19
Statement of Fiduciary Net Assets - Fiduciary Funds	20
Statement of Changes in Fiduciary Net Assets - Pension Trust Fund	21
Notes to Financial Statements	22
Required Supplemental Information - Budgetary Comparison Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Budget and Actual - Budget Basis:	
General Fund	38
Capital Improvements Fund	44
Park Improvement Fund	45
Sewer Lateral Fund	46
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Budget to Actual	47
Other Supplemental Information:	
Combining Balance Sheet - Nonmajor Governmental Funds	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	51
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Home Equity Assurance Fund - Budget Basis	52
Statement of Revenues and Expenses - Enterprise Fund	54
Fiduciary Fund Types:	
Statement of Changes in Assets and Liabilities - All Agency Funds	56
<b>SECTION II - SINGLE AUDIT SECTION</b>	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	58
Schedule of Expenditures of Federal Awards	60
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	61
Schedule of Findings and Questioned Costs and Summary Schedule of Prior Audit Findings	63



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

## INDEPENDENT AUDITORS' REPORT

January 5, 2005

Honorable Mayor and City Council  
**CITY OF FLORISSANT, MISSOURI**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of November 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 5, 2005 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

- ☐ 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
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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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are 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, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Hochschild, Bloom + Company LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

## **Management's Discussion And Analysis Annual Financial Statements For The Fiscal Year Ended November 30, 2004**

The City of Florissant (the City) presents this narrative to help our readers review the accompanying annual financial statements for the year ended November 30, 2004. We have prepared this discussion and analysis of the City's financial activities to add additional information to the financial schedules and the note disclosures.

This is the second year of implementing the new governmental reporting model. The Governmental Accounting Standards Board issued a new standard in June 1999, referred to as "GASB 34", that outlines these new requirements for state and local governments across the United States. Our analysis will examine the financial highlights for the past two years and help explain this new format for our readers.

### **Financial Highlights**

- As of November 30, 2004 the City's assets exceeded liabilities by \$24,521,688. This amount includes \$1,305,160 of resources that are restricted to specific projects by laws, regulations, or contractual agreements related to debt service and \$11,041,647 invested in capital assets. \$12,174,881 of these resources are unrestricted and are available to fund the City's outstanding obligations and future programs.
- Cash and investment balances as of November 30, 2004 were \$12,751,985 and current liabilities were \$1,636,693.
- Net assets decreased by \$1,455,098.
- Fund balances, a measure of current financial resources, in the governmental funds decreased \$7,723,554 to a total of \$15,014,186. \$12,020,972 is unreserved in the governmental funds and is available for future programs.
- The General Fund unreserved fund balance was \$11,053,883, or 57.3% of total general fund expenditures. \$10,000,000 of the General Fund unreserved fund balance is set aside or designated for future capital items.
- The City's total scheduled long-term debt is \$12,355,000. This is the balance remaining from the 2002 Certificates of Participation bonds issued to renovate and improve the James J. Eagan and John F. Kennedy civic centers, the Bangert Park swimming pool, and to refund the outstanding 1997 Certificates of Participation used to purchase and renovate the Paddock golf course.

### **Overview of the Financial Statements**

Management's discussion and analysis is intended to introduce the City's basic financial statements. Basic financial statements include three major sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, the budgetary comparisons, to provide additional information that our readers can use to analyze our finances.

## City of Florissant, Missouri

### Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2004

#### *Government-wide Financial Statements*

The government-wide financial statements are designed to provide our readers with an overview of the City's finances, presenting all funds in a more simplified format. This section is similar to financial reporting used by commercial entities.

The *statement of net assets* presents information on all the City's assets and liabilities, including long-term debt and capital assets in the governmental funds. The difference between assets and liabilities is reported as *net assets*. This is the second year that the City has adopted this new format as required by the Governmental Accounting Standards Board. This year we have added prior year information to analyze how the City's financial position has changed.

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 transactions occur, regardless of when the related cash flows are reported. Therefore, some revenues and expenses included in this statement may reflect cash flows that actually occur in future periods.

Government-wide statements are separated into two major categories: 1) *governmental activities* that are principally supported by taxes and intergovernmental revenues, and 2) *business-type activities* that are supported with user fees and charges. Governmental activities include general government, culture and recreation, public safety, and public works. Business-type activities include the golf course owned and operated by the City.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate organization, the Industrial Development Authority. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

#### *Fund Financial Statements*

Funds are used in government accounting to separate resources that are designated for specific programs or activities. The City, like other state and local governments, uses fund accounting to demonstrate compliance with the laws, regulations, and contractual agreements that establish the authority for the City's programs and services. Governments use three types of funds: governmental, proprietary, and fiduciary funds

*Governmental funds* are used to account for the City's basic services, the same services that are included in the governmental activities on the government-wide statements. However, the information in the fund statements is measured differently. Governmental funds focus on current financial resources rather than economic resources. Therefore, the statements include the short-term resources, such as cash, investments, and receivables, that will be collected in the next year, and liabilities that will be retired with these monies. This information is important for assessing the City's current financial resources.

The reconciliation in the fund statements explains the difference between the governmental funds in the fund statements and the governmental activities found in the government-wide financial statements. This reconciliation will explain the adjustments necessary to compile the long-term resources and liabilities for the government-wide statements with the current picture presented in the fund statements.

**City of Florissant, Missouri**  
**Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2004**

The City uses the following governmental funds:

- ✓ General
- ✓ Capital Improvements
- ✓ Park Improvement
- ✓ Sewer Lateral
- ✓ Capital Projects
- ✓ Debt Service
- ✓ Community Development
- ✓ Home Equity Assurance

The larger funds are presented as major funds while the other funds are presented in the combining statements for nonmajor funds. Both major and nonmajor fund statements include a balance sheet and statement of revenues, expenditures, and changes in fund balances.

The City adopts budgets for all funds in accordance with the Missouri Revised Statutes Section 67.010 and the City Charter Section 6.6. The budgetary comparison for the General, Capital Improvements, Park Improvement, and Sewer Lateral Funds are included with the required supplemental information. Budgetary comparisons for all other funds are presented with *Other Supplemental Information*.

The City's *proprietary fund* is an Enterprise Fund. The Enterprise Fund includes operations for the golf course. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

*Fiduciary funds* are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries such as court bond deposits, construction deposits, and other deposits. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

***Notes to the Financial Statements***

Notes provide additional information that is essential to a full understanding of the information included in the financial schedules. Notes provide additional details about the balances and transactions in the City's financial statements.

**Government-wide Financial Analysis**

The first statement in the government-wide statements is the Statement of Net Assets. The following table summarizes the Statement of Net Assets for the governmental and business-type activities as of November 30, 2004 and 2003 (dollars in thousands):



City of Florissant, Missouri

Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2004

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>						
Current and other assets	\$16,557	24,367	(75)	(11)	16,482	24,356
Capital assets	<u>20,360</u>	<u>14,487</u>	<u>3,037</u>	<u>3,148</u>	<u>23,397</u>	<u>17,635</u>
Total Assets	<u>36,917</u>	<u>38,854</u>	<u>2,962</u>	<u>3,137</u>	<u>39,879</u>	<u>41,991</u>
<b>LIABILITIES</b>						
Long-term debt outstanding	13,720	12,919	-	-	13,720	12,919
Other liabilities	<u>1,514</u>	<u>3,030</u>	<u>123</u>	<u>65</u>	<u>1,637</u>	<u>3,095</u>
Total Liabilities	<u>15,234</u>	<u>15,949</u>	<u>123</u>	<u>65</u>	<u>15,357</u>	<u>16,014</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of debt	8,005	1,297	3,037	3,148	11,042	4,445
Restricted	1,305	1,303	-	-	1,305	1,303
Unrestricted (deficit)	<u>12,373</u>	<u>20,305</u>	<u>(198)</u>	<u>(76)</u>	<u>12,175</u>	<u>20,229</u>
Total Net Assets	<u>\$21,683</u>	<u>22,905</u>	<u>2,839</u>	<u>3,072</u>	<u>24,522</u>	<u>25,977</u>

Net assets invested in capital assets, net of debt, in the governmental activities increased significantly with the addition of the infrastructure improvements related to the N. Lindbergh Corridor project and the South Castello bridge replacement. Construction in progress from the renovations to the James J. Eagan and John F. Kennedy civic centers added over \$6 million to capital assets. The decline in unrestricted net assets is offset by the increase in net assets invested in capital assets, net of related debt.

Current assets in governmental activities include \$10 million from the sale of the water utility that have been designated for future capital items with the adoption of Ordinance #6692 by the City Council on May 28, 2002. \$1.3 million of the City's net assets are restricted to comply with provisions of various laws, regulations, and contractual agreements related to debt service.

Business-type activities represent operations at the municipal golf course. Current and other assets went from (\$11,000) to (\$75,000) in 2004. This is attributable to an increase of \$61,000 in advances to the golf course from other funds needed to support ongoing operations. The deficit in unrestricted net assets grew \$122,000 and is now at (\$198,000). This is the result of operating costs exceeding revenue generated by fees and charges.

The second statement in the government-wide statements is the Statement of Activities. This financial summary outlines the City's primary programs. The following table outlines the major components of the Statement of Activities for the governmental and business-type activities for the years ended November 30, 2004 and 2003 (dollars in thousands):

City of Florissant, Missouri  
Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2004

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 3,309	3,208	927	902	4,236	4,110
Operating grants and contributions	2,883	2,516	-	-	2,883	2,516
Capital grants and contributions	1,332	771	-	-	1,332	771
General revenues:						
Sales tax	11,441	10,901	-	-	11,441	10,901
Utility tax	1,841	1,709	-	-	1,841	1,709
Investment income	540	684	-	-	540	684
Licenses and permits	697	768	-	-	697	768
Other general revenues	992	918	-	-	992	918
Total Revenues	<u>23,035</u>	<u>21,475</u>	<u>927</u>	<u>902</u>	<u>23,962</u>	<u>22,377</u>
<b>PROGRAM EXPENSES</b>						
General government	4,215	4,065	-	-	4,215	4,065
Culture and recreation	5,215	5,045	1,196	1,078	6,411	6,123
Public safety	8,365	7,478	-	-	8,365	7,478
Public works	5,891	6,457	-	-	5,891	6,457
Interest on long-term debt	535	571	-	-	535	571
Total Program Expenses	<u>24,221</u>	<u>23,616</u>	<u>1,196</u>	<u>1,078</u>	<u>25,417</u>	<u>24,694</u>
<b>DECREASE IN NET ASSETS BEFORE TRANSFERS</b>	(1,186)	(2,141)	(269)	(176)	(1,455)	(2,317)
<b>TRANSFERS</b>	<u>(36)</u>	<u>(58)</u>	<u>36</u>	<u>58</u>	<u>-</u>	<u>-</u>
<b>DECREASE IN NET ASSETS</b>	<u>(\$ 1,222)</u>	<u>(2,199)</u>	<u>(233)</u>	<u>(118)</u>	<u>(1,455)</u>	<u>(2,317)</u>

Operating results in governmental activities resulted in a decrease in net assets of \$1,222,000. This is an improvement over 2003. Program revenues increased 15.8%, primarily due to grant revenue. General revenues increased 3.5% on the strength of increases in sales tax and utility tax. Program expenses grew 2.6%. Expenses for public safety increased 11.9% while expenses for public works decreased 8.8%.

Operating results for business-type activities, the golf course, resulted in a decrease in net assets of \$233,000. Charges for services increased 2.8% while program expenses increased 10.9%

#### Financial Analysis of the City's Funds

The fund statements present the City's financial information in a more detailed format, but there are other differences as well. Fund statements provide important information about the City's compliance with laws and regulations that define the local government environment in Missouri. The measurement principles in the government fund statements are also different than the government-wide statements. Fund statements focus on current and short-term resources, while government-wide statements present the long-term view.

Financial information for the City's governmental funds is summarized in the Balance Sheet - Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Governmental Funds. Fund balances decreased \$7,723,554, with \$3,213,827 of that decrease in General Fund. The effects of the 2000 census population decline on per capita revenue sources, such as sales tax, is a significant reason for this decrease in fund balances. The fund balance decrease of \$5,037,212 in the Capital Projects Fund is the result of spending bond proceeds for the renovation of the two civic centers.

Nonmajor funds include the Community Development and Home Equity Assurance Funds. These funds are combined for this report because their revenues and expenses are smaller than other funds of the City. You can find details about these funds in the combining statements for the nonmajor governmental funds.

The fund statement for the proprietary fund looks much like the business-type activities in the government-wide statements. Proprietary fund financial information is measured with the same principles used by commercial enterprises, so this information does not change from the fund statement to the government-wide statement.

#### **General Fund Budgetary Highlights**

This financial report includes information about both the original budget and the final budget as amended. Generally, budgets were amended to add projects and services that were not anticipated when the budget was first adopted.

Over the course of the year, the City Council revised the adopted budget numerous times. These amendments fall into three categories:

- Transfers between departmental accounts
- Appropriations from reserve balances to prevent budget overruns and to fund various projects and programs as they were identified as being desirous
- Advances from one fund to another where no reserve balances are available within the fund and no existing budget accounts within the fund have sufficient balances for a departmental transfer

Revenues derived from charges for services were down across the board as a result of closing both civic centers for renovation and a cool summer, which effected attendance to both outdoor pools and outdoor park activities and related concession sales. The majority of other revenue sources generally exceeded budgeted revenue estimates.

Supplemental budget appropriations of \$25,000 or more include the following:

- \$271,500 -- South Castello bridge replacement
- \$156,000 -- Lights, fencing, scoreboard, and walking track at the Florissant Valley Park
- \$71,000 -- Additional road salt for snow and ice storms
- \$60,000 -- Consultant to raise funds for the Sunset Park Marina project
- \$49,400 -- Design fees for the N. Lindbergh Corridor project and the South Castello bridge replacement
- \$35,000 -- Lewis and Clark bicentennial celebration events
- \$35,000 -- Gasoline for the Police Department
- \$35,000 -- Costs to transport the F-101 Voodoo jet from Texas

**City of Florissant, Missouri**  
**Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2004**

**Capital Assets and Debt Administration**

The City invests substantial resources in capital assets that support the services provided to the public. All of the City's scheduled long-term debt has been used to acquire or construct capital assets.

*Capital Assets*

The capital assets net of depreciation for the governmental and business-type activities as of November 30, 2004 and 2003 follows (dollars in thousands):

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$ 2,402	2,402	2,174	2,174	4,576	4,576
Buildings	5,465	5,792	521	553	5,986	6,345
Improvements	2,559	2,452	250	267	2,809	2,719
Equipment	2,753	2,963	91	154	2,844	3,117
Infrastructure	2,501	373	-	-	2,501	373
Construction in progress	<u>4,680</u>	<u>564</u>	<u>-</u>	<u>-</u>	<u>4,680</u>	<u>564</u>
Total	<u>\$20,360</u>	<u>14,546</u>	<u>3,036</u>	<u>3,148</u>	<u>23,396</u>	<u>17,694</u>

Capital assets, net of depreciation, for governmental activities reflect increases in infrastructure and construction in progress. Additions for infrastructure include the N. Lindbergh Corridor project and the South Castello bridge replacement. Construction in progress is the renovations to the James J. Eagan and John F. Kennedy civic centers.

*Long-term Debt*

The City's scheduled long-term outstanding debt for the governmental and business-type activities as of November 30, 2004 and 2003 are summarized as follows (dollars in thousands):

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Series 2002	<u>\$12,355</u>	<u>13,190</u>	<u>-</u>	<u>-</u>	<u>12,355</u>	<u>13,190</u>

The City has \$12,355,000 in notes outstanding from the 2002 certificates of participation issued to renovate the James J. Eagan and John F. Kennedy community centers and Bangert Pool. The principal balance on this debt decreased \$835,000 during the year, which represents a 6.3% decrease in the principal balance from last year. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements.

Certificates of participation are not included in the calculation of the City's legal debt margin. Since there are no general obligation debt issues outstanding, the City has not committed any funds against the legal debt margin.

**City of Florissant, Missouri**

**Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2004**

The City has other long-term debt related to pension contributions payable of \$596,718 and \$767,993 for compensated absences. See note D.

**The outlook for next year**

Sales tax revenues in General, Capital Improvements, and Park Improvement Funds increased 4.0% over 2003. The Capital Improvements Fund was particularly robust with growth of 7.9%. The 2004-2005 budget reflects continued overall revenue growth within these three funds.

The Shoppes at Cross Keys redevelopment project is nearing completion and represents a tremendous asset to the City. Major retailers at this location include a grocery store, Schnucks, and a home improvement store, Home Depot. The development also includes the first national bookstore chain, Barnes & Nobel, in the City and north St. Louis County.

Additional redevelopment projects that are moving forward include The Shoppes at Koch Park project which will include a grocery store, Shop-N-Save, plus additional retail, and the corner of N. Hwy 67 and Florissant Road.

The 2000 census reduced many of the City's revenue streams which are based on population at a time when the regional and national economies were experiencing severe stress. The result has been the development of a structural imbalance between revenues and expenditures. To address this imbalance the City has been using reserve balances to maintain existing service and program levels.

To lessen this dependence on reserves, a number of steps have been taken to reduce the overall 2004-2005 budget. A number of full-time and part-time positions have been left open when employees either retired or left and some part-time positions have been eliminated. The utility license tax on electric, gas, telephone, and water was increased from 3% to 5% effective November 1, 2004. In February 2003 the voters of the City approved an increase in the annual fee imposed for the repairs of defective lateral sewer service lines from \$28 to \$50.

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the Director of Finance, 955 rue St. Francois, Florissant, Missouri 63031.

# CITY OF FLORISSANT, MISSOURI

## STATEMENT OF NET ASSETS

NOVEMBER 30, 2004

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Industrial Development Authority
<b>ASSETS</b>				
Cash	\$ 3,294,721	-	3,294,721	88,176
Investments	8,152,104	-	8,152,104	-
Prepaid expenses	174,339	-	174,339	-
Receivables:				
Taxes	2,949,049	-	2,949,049	-
Interest	83,235	-	83,235	-
Intergovernmental	152,887	-	152,887	-
Court	201,125	-	201,125	-
Other	35,234	-	35,234	-
Internal balances	100,124	(100,124)	-	-
Due from fiduciary fund	108,511	-	108,511	-
Due from primary government	-	-	-	14,872
Inventories	-	25,080	25,080	-
Restricted assets:				
Cash	29,499	-	29,499	4,812
Investments	1,275,661	-	1,275,661	1,071,000
Bond issue costs	-	-	-	695,768
Capital assets:				
Land and construction in progress	7,081,728	2,174,160	9,255,888	-
Other capital assets, net of accumulated depreciation	13,278,314	862,445	14,140,759	-
Total Assets	<u>36,916,531</u>	<u>2,961,561</u>	<u>39,878,092</u>	<u>1,874,628</u>
<b>LIABILITIES</b>				
Bank overdraft	-	64,190	64,190	-
Accounts payable	691,035	12,166	703,201	-
Accrued interest payable	172,815	-	172,815	84,479
Compensated absences and accrued payroll	635,271	46,344	681,615	-
Due to component unit	14,872	-	14,872	-
Noncurrent liabilities:				
Due within one year	850,000	-	850,000	-
Due in more than one year	12,869,711	-	12,869,711	18,770,000
Total Liabilities	<u>15,233,704</u>	<u>122,700</u>	<u>15,356,404</u>	<u>18,854,479</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	8,005,042	3,036,605	11,041,647	-
Restricted for debt service	1,305,160	-	1,305,160	1,075,812
Unrestricted	12,372,625	(197,744)	12,174,881	(18,055,663)
Total Net Assets	<u>\$ 21,682,827</u>	<u>2,838,861</u>	<u>24,521,688</u>	<u>(16,979,851)</u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	Net Revenues (Expenses) And Changes In Net Assets						
	Primary Government						Component Unit
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Industrial Development Authority
<b>FUNCTIONS/PROGRAMS</b>							
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 4,214,668	-	309,624	-	(3,905,044)	-	-
Culture and recreation	5,214,530	738,848	-	147,991	(4,327,691)	-	-
Public safety	8,365,493	1,482,788	124,507	-	(6,758,198)	-	-
Public works and health	5,890,983	1,086,882	2,450,168	1,183,989	(1,169,944)	-	-
Interest on long-term debt	535,145	-	-	-	(535,145)	-	-
Total Governmental Activities	24,220,819	3,308,518	2,884,299	1,331,980	(16,696,022)	-	-
<b>Business-type Activities</b>							
Golf course	1,196,030	926,696	-	-	-	(269,334)	-
Total Primary Government	\$ 25,416,849	4,235,214	2,884,299	1,331,980	(16,696,022)	(269,334)	-
<b>Component Unit</b>							
Industrial Development Authority	\$ 17,342,225	263,159	-	-	-	-	(17,079,066)
<b>General Revenues</b>							
Taxes:							
Sales					11,440,733	-	-
Utility					1,841,193	-	-
Other					188,445	-	-
Investment income					539,631	-	11,083
Licenses and permits					697,299	-	-
Other					802,957	-	77,655
Transfers					(36,366)	36,366	-
Total General Revenues					15,473,892	36,366	88,738
<b>Change In Net Assets</b>					(1,222,130)	(232,968)	(16,990,328)
<b>Net Assets, December 1</b>					22,904,957	3,071,829	25,976,786
<b>Net Assets, November 30</b>					\$ 21,682,827	2,838,861	24,521,688
							(16,979,851)

See notes to financial statements

**CITY OF FLORISSANT, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**NOVEMBER 30, 2004**

	General Fund	Capital Improvements Fund	Park Improvement Fund	Sewer Lateral Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash	\$ 1,094,001	1,075,369	343,446	133,458	469,209	-	179,238	3,294,721
Investments	7,500,000	502,104	-	150,000	-	-	-	8,152,104
Prepaid expenses	174,339	-	-	-	-	-	-	174,339
Receivables:								
Taxes	2,061,611	578,558	262,190	46,690	-	-	-	2,949,049
Interest	82,078	678	479	-	-	-	-	83,235
Intergovernmental	-	108,496	44,391	-	-	-	-	152,887
Court	201,125	-	-	-	-	-	-	201,125
Other	35,234	-	-	-	-	-	-	35,234
Restricted assets:								
Cash	-	-	-	-	-	29,499	-	29,499
Investments	-	-	-	-	-	1,275,661	-	1,275,661
Due from other funds	1,149,858	-	58,243	-	-	-	-	1,208,101
<b>Total Assets</b>	<b>\$ 12,298,246</b>	<b>2,265,205</b>	<b>708,749</b>	<b>330,148</b>	<b>469,209</b>	<b>1,305,160</b>	<b>179,238</b>	<b>17,555,955</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 128,582	271,925	18,383	10,021	234,637	-	27,487	691,035
Accrued payroll	622,853	-	-	6,018	-	-	6,400	635,271
Deferred revenue	201,125	-	-	-	-	-	-	201,125
Due to component unit	14,872	-	-	-	-	-	-	14,872
Due to other funds	-	28,069	16,102	955,295	-	-	-	999,466
<b>Total Liabilities</b>	<b>967,432</b>	<b>299,994</b>	<b>34,485</b>	<b>971,334</b>	<b>234,637</b>	<b>-</b>	<b>33,887</b>	<b>2,541,769</b>
<b>Fund Balances (Deficit)</b>								
Reserved for:								
Encumbrances	220,480	1,003,425	19,870	-	184,838	-	202,990	1,631,603
Protested taxes	56,451	-	-	-	-	-	-	56,451
Debt service	-	-	-	-	-	1,305,160	-	1,305,160
Unreserved, reported in:								
General Fund:								
Designated for future capital items	10,000,000	-	-	-	-	-	-	10,000,000
Unreserved - undesignated	1,053,883	-	-	-	-	-	-	1,053,883
Special Revenue Funds	-	961,786	654,394	(641,186)	-	-	(57,639)	917,355
Capital Projects Fund	-	-	-	-	49,734	-	-	49,734
<b>Total Fund Balances (Deficit)</b>	<b>11,330,814</b>	<b>1,965,211</b>	<b>674,264</b>	<b>(641,186)</b>	<b>234,572</b>	<b>1,305,160</b>	<b>145,351</b>	<b>15,014,186</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 12,298,246</b>	<b>2,265,205</b>	<b>708,749</b>	<b>330,148</b>	<b>469,209</b>	<b>1,305,160</b>	<b>179,238</b>	<b>17,555,955</b>

See notes to financial statements



**CITY OF FLORISSANT, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**NOVEMBER 30, 2004**

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Total Fund Balances - Governmental Funds	\$ 15,014,186
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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 funds. The cost of the assets is \$28,843,028 and the accumulated depreciation is \$8,482,986.	20,360,042
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Municipal court receivables are assessed by the City, but are not collected as of November 30, 2004 and deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	201,125
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Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued interest payable	(172,815)
Certificates of participation	(12,355,000)
Compensated absences	(767,993)
Pension contribution payable	(596,718)
	<hr/>

Net Assets Of Governmental Activities	<u><u>\$ 21,682,827</u></u>
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**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(DEFICIT) - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	General Fund	Capital Improvements Fund	Park Improvement Fund	Sewer Lateral Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Taxes	\$ 11,195,492	3,094,244	1,514,493	560,161	-	-	-	16,364,390
Licenses and permits	1,224,020	-	-	-	-	-	-	1,224,020
Charges for services	738,848	-	-	-	-	-	-	738,848
Other	799,305	-	-	3,612	-	-	40	802,957
Investment income	407,842	24,150	7,207	5,775	39,532	53,923	1,202	539,631
Fines and forfeitures	1,482,788	-	-	-	-	-	-	1,482,788
Intergovernmental	240,817	1,183,989	147,991	-	-	-	309,624	1,882,421
Total Revenues	16,089,112	4,302,383	1,669,691	569,548	39,532	53,923	310,866	23,035,055
<b>EXPENDITURES</b>								
Current:								
General government	3,705,253	-	-	-	-	-	307,035	4,012,288
Culture and recreation	3,581,995	-	685,737	-	-	-	-	4,267,732
Public safety	7,961,554	-	-	-	-	-	-	7,961,554
Public works and health	4,054,137	-	-	423,345	-	-	-	4,477,482
Capital outlay	-	3,186,233	361,716	-	5,076,744	-	-	8,624,693
Debt service	-	-	-	-	-	1,378,494	-	1,378,494
Total Expenditures	19,302,939	3,186,233	1,047,453	423,345	5,076,744	1,378,494	307,035	30,722,243
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(3,213,827)	1,116,150	622,238	146,203	(5,037,212)	(1,324,571)	3,831	(7,687,188)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	1,326,933	-	1,326,933
Transfers out	-	(751,837)	(611,462)	-	-	-	-	(1,363,299)
Total Other Financing Sources (Uses)	-	(751,837)	(611,462)	-	-	1,326,933	-	(36,366)
<b>NET CHANGE IN FUND BALANCES</b>	(3,213,827)	364,313	10,776	146,203	(5,037,212)	2,362	3,831	(7,723,554)
<b>FUND BALANCES (DEFICIT), DECEMBER 1</b>	14,544,641	1,600,898	663,488	(787,389)	5,271,784	1,302,798	141,520	22,737,740
<b>FUND BALANCES (DEFICIT), NOVEMBER 30</b>	\$ 11,330,814	1,965,211	674,264	(641,186)	234,572	1,305,160	145,351	15,014,186

See notes to financial statements

**CITY OF FLORISSANT, 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 NOVEMBER 30, 2004**

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Net Change In Fund Balances - Governmental Funds \$ (7,723,554)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$6,922,804) exceed depreciation (\$990,152) in the current period. 5,932,652

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (59,838)

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, it has no effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.

Accrued interest payable	8,349	
Certificates of participation principal payments	835,000	
Compensated absences	(122,838)	
Pension contribution payable	(91,901)	
Net Adjustment	628,610	

Change In Net Assets Of Governmental Activities \$ (1,222,130)

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF NET ASSETS - ENTERPRISE FUND**  
**NOVEMBER 30, 2004**

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**ASSETS**

Inventory	\$ 25,080
Capital assets, net of accumulated depreciation	<u>3,036,605</u>
Total Assets	<u>3,061,685</u>

**LIABILITIES**

Bank overdraft	64,190
Accounts payable	12,166
Compensated absences and accrued payroll	46,344
Due to other funds	<u>100,124</u>
Total Liabilities	<u>222,824</u>

**NET ASSETS**

Invested in capital assets, net of related debt	3,036,605
Unrestricted	<u>(197,744)</u>
Total Net Assets	<u><u>\$ 2,838,861</u></u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

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<b>OPERATING REVENUES</b>	\$ 926,696
<b>OPERATING EXPENSES</b>	<u>1,194,506</u>
<b>OPERATING LOSS</b>	(267,810)
<b>NONOPERATING EXPENSES</b>	
Interest and fiscal charges	<u>(1,524)</u>
<b>LOSS BEFORE TRANSFERS IN</b>	(269,334)
<b>TRANSFERS IN</b>	<u>36,366</u>
<b>NET LOSS</b>	(232,968)
<b>NET ASSETS, DECEMBER 1</b>	<u>3,071,829</u>
<b>NET ASSETS, NOVEMBER 30</b>	<u><u>\$ 2,838,861</u></u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF CASH FLOWS -**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

**Cash flows used in operating activities:**

Receipts from customers and users	\$ 926,696
Payments to suppliers	<u>(1,022,905)</u>
Net Cash Used In Operating Activities	(96,209)

**Cash flows provided by noncapital financing activities:**

Advance from other funds	61,367
Transfers in	<u>36,366</u>
Net Cash Provided By Noncapital Financing Activities	<u>97,733</u>

**Cash flows used in investing activities:**

Other expenses	<u>(1,524)</u>
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**NET INCREASE IN CASH AND CASH EQUIVALENTS**

-

**CASH AND CASH EQUIVALENTS, DECEMBER 1**

-

**CASH AND CASH EQUIVALENTS, NOVEMBER 30**

\$ -

**RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN  
OPERATING ACTIVITIES:**

Operating loss	<u>\$ (267,810)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	111,742
(Increase) decrease in:	
Inventory	2,302
Increase (decrease) in:	
Bank overdraft	38,768
Accounts payable	8,356
Compensated absences and accrued payroll	<u>10,433</u>
Total Adjustments	<u>171,601</u>
Net Cash Used In Operating Activities	<u><u>\$ (96,209)</u></u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
**NOVEMBER 30, 2004**

	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash	\$ -	969,807
Investments	9,797,021	50,000
Total Assets	<u>9,797,021</u>	<u>1,019,807</u>
<b>LIABILITIES</b>		
Due to others:		
Court bonds	-	580,900
Construction deposits	-	61,293
Other deposits	-	269,103
	<u>-</u>	<u>911,296</u>
Due to other funds	-	108,511
Total Liabilities	<u>-</u>	<u>1,019,807</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits	<u>\$ 9,797,021</u>	<u>-</u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -**  
**PENSION TRUST FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

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**ADDITIONS**

Employer contributions	<u>\$ 539,786</u>
Investment income:	
Net appreciation in fair value of investments and interest and dividends	1,267,995
Investment expense	<u>(40,353)</u>
Net Investment Income	<u>1,227,642</u>
Total Additions	<u>1,767,428</u>

**DEDUCTIONS**

Benefits	<u>1,393,054</u>
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<b>NET INCREASE</b>	374,374
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NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, DECEMBER 1	<u>9,422,647</u>
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NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, NOVEMBER 30	<u><u>\$ 9,797,021</u></u>
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# **CITY OF FLORISSANT, MISSOURI**

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The **CITY OF FLORISSANT, MISSOURI** (the City) was founded in 1786 and incorporated in 1829. The City operates under a Mayor-Council form of government and provides the following services: police, engineering and public works, recreation, legislative, municipal court, health, welfare, and administration. The financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

#### **1. Reporting Entity**

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the City. Included within the reporting entity are all units of government including the Industrial Development Authority of the City of Florissant (IDA).

The IDA was incorporated on April 10, 1996 and held its initial meeting on May 7, 1996. All of the directors of the IDA are appointed by the Mayor of the City and confirmed by the City Council. The IDA is organized to develop and promote commercial, industrial, agricultural, and manufacturing facilities in the City. The IDA is a component unit of the City and is discretely presented as such in the financial statements.

#### **2. Government-wide and Fund Financial Statements**

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

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

# CITY OF FLORISSANT, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2. Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Fund are reported as separate columns in the fund financial statements.

#### 3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

**Capital Improvements Fund** -- This fund is used to account for the acquisition or improvement of capital assets within the City's departments.

**Park Improvement Fund** -- This fund is used to account for improvements in the City's parks.

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Sewer Lateral Fund** -- This fund is used to account for special assessments to be utilized for maintenance of sewer lateral lines within the City.

**Capital Projects Funds** -- These funds are used to account for financial resources to be used for the acquisition, construction, or improvements of major capital facilities and infrastructure (other than those financed by proprietary funds and Trust Funds).

**Debt Service Fund** -- This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs. The City's Debt Service Fund accounts for activities of the City's certificates of participation obligation.

The City reports the following major proprietary fund:

**Golf Fund** -- This fund is used to account for the operations of the City's public golf course.

Additionally, the government reports the following fund types:

**Pension Trust Fund** -- This fund is used to account for assets held in a trustee capacity for the City's eligible employees.

**Agency Fund** -- The Escrow and Court Bond Fund is used to account for the collection and release of monies in connection with construction permits being issued and to be held as bond deposits to ensure defendants' appearances in court.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and Enterprise Fund, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Golf Enterprise Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

**4. Cash, Cash Equivalents, and Investments**

For statement of cash flow purposes, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, certain commercial paper, repurchase agreements, bankers acceptances, and time deposits.

The Pension Trust Fund is also authorized to invest in corporate common or preferred stocks, bonds and mortgages, real or personal property, and other evidence of indebtedness or ownership, but excluding any debt of the City itself and individual insurance policies. Investments are stated at fair value or amortized cost which approximates fair value.

Certain cash and investment amounts have been noted as restricted since they are required to be used in accordance with certain debt requirements.

**5. Inventories**

Inventories are recorded at cost, which approximates market on the first-in, first-out basis.

**6. Advances To/From Other Funds**

Noncurrent portions of long-term interfund loans receivable (reported in "advances to" asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of long-term interfund loans receivable (reported in "due from" asset accounts) are considered "available spendable resources" and are sub-

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Advances To/From Other Funds (Continued)**

ject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances".

**7. Capital Assets**

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Infrastructure assets constructed, purchased, or donated effective December 1, 2002 are reported in the government-wide financial statements. All major general infrastructure assets prior to this date will be retroactively reported at historical or estimated historical cost in accordance with GASB Statement No. 34.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Assets	Years
Buildings and other improvements	15 - 50
Vehicles	3 - 10
Infrastructure	30 - 50
Equipment, furniture, and fixtures	3 - 15

**8. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration of the various funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. For the budgetary purposes, encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase.

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**9. Compensated Absences**

Vested or accumulated vacation leave and comp time that are expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave and comp time of proprietary funds are recorded as an expense and liability of those funds as the benefits accrued to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**10. Fund Equity**

Reserves represent those portions of fund equity not available for appropriation or are legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

**11. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported and amortized over the term of the related debt.

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 cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation. As of November 30, 2004, the City's and IDA's bank deposits were fully insured or collateralized with securities held by the City or its agent in the City's name.

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments**

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

	<u>Categories</u>			<u>November 30, 2004</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value/ Carrying Amount</u>
<b>City - Primary Government</b>				
U.S. government and agency securities	<u>\$1,675,661</u>	<u>-</u>	<u>-</u>	1,675,661
Investment in pension plan pooled investments				9,797,021
Reconciling item to financial statement presentation - certificates of deposit presented as investments				<u>7,802,104</u>
Total Investments				<u>\$19,274,786</u>
<b>IDA - Component Unit</b>				
Repurchase agreement	<u>\$ -</u>	<u>1,071,000</u>	<u>-</u>	1,071,000
Money market mutual funds				<u>4,812</u>
				<u>\$1,075,812</u>

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS (Continued)**

	For The Year Ended November 30, 2004			Balance November 30 2004
	Balance November 30 2003	Additions	Deletions	
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 2,402,108	-	-	2,402,108
Construction in process	563,730	6,259,041	2,143,151	4,679,620
Total Capital Assets Not Being Depreciated	2,965,838	6,259,041	2,143,151	7,081,728
Capital assets being depreciated:				
Buildings	10,506,745	28,383	-	10,535,128
Improvements	2,643,671	233,749	-	2,877,420
Infrastructure	380,274	2,143,151	-	2,523,425
Equipment	5,664,382	401,631	240,686	5,825,327
Total Capital Assets Being Depreciated	19,195,072	2,806,914	240,686	21,761,300
Less - Accumulated depreciation for:				
Buildings	4,773,539	296,837	-	5,070,376
Improvements	191,308	126,855	-	318,163
Infrastructure	7,605	14,313	-	21,918
Equipment	2,701,230	552,147	180,848	3,072,529
Total Accumulated Depreciation	7,673,682	990,152	180,848	8,482,986
Total Capital Assets Being Depreciated, Net	11,521,390	1,816,762	59,838	13,278,314
Governmental Activities Capital Assets, Net	\$14,487,228	8,075,803	2,202,989	20,360,042
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land	\$2,174,160	-	-	2,174,160
Capital assets being depreciated:				
Buildings and improvements	730,907	-	-	730,907
Land improvements	356,816	-	-	356,816
Equipment	556,956	-	-	556,956
Total Capital Assets Being Depreciated	1,644,679	-	-	1,644,679
Less - Accumulated depreciation for:				
Buildings and improvements	177,490	32,418	-	209,908
Land improvements	90,193	16,793	-	106,986
Equipment	402,809	62,531	-	465,340
Total Accumulated Depreciation	670,492	111,742	-	782,234
Total Capital Assets Being Depreciated, Net	974,187	(111,742)	-	862,445
Business-type Activities Capital Assets, Net	\$3,148,347	(111,742)	-	3,036,605

The City adjusted its beginning governmental capital asset balance by a \$58,635 reduction for a schedule inventory adjustment.



**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS (Continued)**

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

	<b>For The Year Ended November 30 2004</b>
Governmental activities:	
General government	\$ 30,032
Public safety	306,584
Public works, including depreciation of infrastructure assets	204,467
Culture and recreation	<u>449,069</u>
	<u>\$990,152</u>
Business-type activities:	
Golf course	<u>\$111,742</u>

**NOTE D - LONG-TERM DEBT**

Long-term debt consists of the following:

	<b>November 30 2004</b>
Series 2002 \$14,030,000 certificates of participation for various improvements, due in annual installments through August 1, 2022, interest payable at 2.75% to 5%.	<u>\$12,355,000</u>

A schedule of future minimum payments for the certificates is as follows:

<b>For The Years Ended November 30</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2005	\$ 850,000	518,444	1,368,444
2006	900,000	495,069	1,395,069
2007	925,000	468,069	1,393,069
2008	940,000	438,006	1,378,006
2009	980,000	403,931	1,383,931
2010 - 2014	2,995,000	1,591,756	4,586,756
2015 - 2019	3,125,000	847,250	3,972,250
2020 - 2022	<u>1,640,000</u>	<u>166,750</u>	<u>1,806,750</u>
Total	<u>\$12,355,000</u>	<u>4,929,275</u>	<u>17,284,275</u>

# CITY OF FLORISSANT, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

### NOTE D - LONG-TERM DEBT (Continued)

A summary of changes in long-term debt is as follows:

<u>For The Year Ended November 30, 2004</u>					
	<u>Balance</u> <u>November 30</u> <u>2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>November 30</u> <u>2004</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
Certificates of participation	\$13,190,000	-	835,000	12,355,000	850,000
Compensated absences	645,155	122,838	-	767,993	-
Pension contribution payable	<u>504,817</u>	<u>91,901</u>	<u>-</u>	<u>596,718</u>	<u>-</u>
	<u>\$14,339,972</u>	<u>214,739</u>	<u>835,000</u>	<u>13,719,711</u>	<u>850,000</u>

The certificates of participation are to be liquidated by the Park Improvement and Capital Improvement Tax Funds. Also, compensated absences and pension contribution payable are generally liquidated by the General Fund.

On December 8, 2003 the IDA issued \$19,040,000 in tax increment refunding revenue bonds for the City of Florissant-Cross Keys Redevelopment Project. Interest on the bonds will be payable semiannually on each May 1 and November 1, with interest rates of 5% and 5.625% and final maturity of May 1, 2024. The bonds are being issued by the IDA pursuant to a trust indenture dated December 1, 2003 by and between the IDA and the trustee. The bonds are special limited obligations of the IDA, payable solely from bond proceeds and pledged revenues. The IDA and the City have entered into a financing agreement dated as of December 1, 2003 pursuant to which the City has agreed to transfer to the trustee for application to the payment of the bonds all payments in lieu of taxes; subject to annual appropriation of the City, all economic activity tax revenues; and subject to annual appropriation by The Shoppes at Cross Keys Transportation Development District, all TDD revenues. The principal balance outstanding at November 30, 2004 was \$18,770,000 after reductions during the year of \$270,000.

### NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN

#### 1. Plan Description and Provisions

The Plan is a single-employer, defined benefit pension plan that covers all of the City's employees who work at least 1,000 hours per year and elected to remain in the plan as of January 1, 2001. The Plan was created and is governed by City ordinance. The payroll for employees covered by the Plan for the year ended November 30, 2003, which is the date of the latest actuarial valuation available, was \$2,269,178 and the City's total payroll was \$12,890,226.

The Plan does not issue a separate stand-alone financial report. The financial information is included as a Trust Fund in the City's financial statements. Information about the Plan is provided in a summary plan description. The Plan has been closed to new entrants since December 31, 2000.

Membership in the Plan is comprised of the following:

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)**

**1. Plan Description and Provisions (Continued)**

<u>Group</u>	<u>November 30 2003</u>
Retirees and beneficiaries currently receiving benefits	9
Vested terminated employees and active employees	117

Employees attaining the age of 60 who have completed ten or more years of service are entitled to benefits based upon average earnings and years of service. The Plan permits early retirement at age 55 with 10 years of continuous service with a benefit reduction of ½% for each full month that the early retirement date precedes the normal retirement date. If the sum of age and service equals or exceeds 85, the benefit is the accrued benefit without reduction for early receipt. The Plan also provides benefits upon a participant's death or disability.

All contributions to the plan are made by the City.

**2. Funding Status and Progress**

All available years are presented as follows:

<u>Pension Plan</u>			
<u>Valuation For The Actuarial Years Ended November 30</u>	<u>Actuarial Value Of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>
2003	\$ 9,291,937	\$14,045,236	\$4,753,299
2002	8,299,908	12,828,059	4,528,151
2001	8,414,984	12,258,348	3,843,364
2000	13,223,640	16,958,326	3,734,686
1999	14,081,273	20,454,513	6,373,240
1998	12,802,476	17,532,254	4,729,778
1997	11,438,309	16,175,188	4,736,879

  

<u>Valuation For The Actuarial Years Ended November 30</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL As A Percentage Of Covered Payroll</u>
2003	66.2%	\$2,227,318	213.4%
2002	64.7	2,269,178	199.6
2001	68.6	2,391,017	160.7
2000	78.0	2,456,952	152.0
1999	68.8	6,988,706	91.2
1998	73.0	6,739,075	70.2
1997	70.7	6,848,889	69.2

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)**

**2. Funding Status and Progress (Continued)**

<b>Schedule Of Employer Contributions</b>			
<b>For The Years Ended November 30</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2003	\$ 676,682	\$ 578,412	85.5%
2002	553,987	586,713	105.9
2001	545,043	740,000	135.8
2000	1,267,997	1,185,000	93.5
1999	999,116	1,000,000	100.1
1998	1,058,290	1,028,200	97.2
1997	1,069,319	900,000	84.2

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Actuarial cost method	Frozen entry age
Amortization method	Using assumed rate of 7.5% over 22 years
Asset valuation method	At fair value or contract value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5%

**3. Annual Pension Cost**

Current year annual pension costs for the Plan are shown in the trend information. There is a net pension obligation for the Plan.

**4. Trend Information**

The historical trend information about the Plan is presented herewith to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other Public Employee Retirement Systems (PERS).

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)**

**4. Trend Information (Continued)**

<b>Pension Plan</b>				
<b>Valuation For The Actuarial Years Ended November 30</b>	<b>Annual Pension Cost</b>	<b>Percentage Contributed</b>	<b>Net Pension Obligation</b>	<b>Increase (Decrease) Net Pension Obligation</b>
2003	\$ 670,313	86.3%	\$596,718	\$ 91,901
2002	547,964	107.1	504,817	(38,749)
2001	537,811	137.6	543,566	(202,189)
2000	1,262,348	93.9	745,755	77,348
1999	994,177	100.6	668,407	(5,823)
1998	1,054,204	97.5	674,230	26,004
1997	1,066,730	84.4	648,226	166,730

<b>Annual Pension Cost</b>				
<b>Valuation For The Actuarial Years Ended November 30</b>	<b>Annual Required Contribution</b>	<b>Interest On The Net Pension Obligation</b>	<b>Adjustment To The Annual Required Contribution</b>	<b>Annual Pension Cost</b>
2003	\$ 676,682	\$37,861	(\$44,230)	\$ 670,313
2002	553,987	40,767	(46,790)	547,964
2001	545,043	55,932	(63,164)	537,811
2000	1,267,997	50,131	(55,780)	1,262,348
1999	999,116	50,567	(55,506)	994,177
1998	1,058,290	48,617	(52,703)	1,054,204
1997	1,069,319	36,112	(38,701)	1,066,730

**NOTE F - PROPERTY TAXES**

The City's property tax is levied each year on the assessed value listed as of January 1 for all real and personal property located in the City. Property taxes attach as an enforceable lien on property as of January 1. Taxes levied in September or October are due and payable prior to December 31.

Since 1998, the City has voluntarily reduced the property tax rate to zero.

**NOTE G - INSURANCE**

The City managed risks of loss related to employee life, health and disability, workers' compensation, property, and liability by purchasing commercial insurance during the year ended November 30, 2004.

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE G - INSURANCE (Continued)**

There was no significant reductions in insurance coverage during the year ended November 30, 2004 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

**NOTE H - DEFICIT BALANCES**

The Sewer Lateral Fund, a Special Revenue Fund, had a deficit fund balance at November 30, 2004 of \$641,186. This fund deficit resulted from expenditures to be funded with future revenues.

**NOTE I - CONTINGENCIES AND COMMITMENTS**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**NOTE J - DEFINED CONTRIBUTION PLAN**

The Council approved an Ordinance on November 13, 2000 amending the pension plan by freezing the plan enrollment into the defined benefit plan after December 31, 2000 and implementing an elective rollover to a defined contribution money purchase pension plan effective January 1, 2001.

The Money Purchase Pension Plan is funded through the Prudential Insurance Company of America. All full-time employees who work 1,000 hours or more each plan year and part-time employees who work 35 hours or more per week are eligible to participate in the plan. Pursuant to the Plan's provision, the City shall contribute:

For employees hired after January 1, 2001, the employer contributions are 8% of earnings (after completion of tenth year of service 9%). In addition, an employee may irrevocably elect a 2% picked-up contribution. The employer will match the employee contribution not to exceed 2% of earnings.

For employees hired before January 1, 2001, the employer contributions are 12% of earnings. In addition, an employee may irrevocably elect a 3% picked-up contribution. The employer will match the employee contribution not to exceed 3% of earnings.

Contributions are fully vested after seven years of continuous service. Contributions to the plan for the year ended November 30, 2004, amounted to \$207,312 for employees and \$1,040,117 for the City.

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE K - CONDUIT DEBT OBLIGATIONS**

The City authorized the IDA to issue bonds to provide financial assistance for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are collateralized by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate principal maturities of outstanding bonds at November 30, 2004 was \$5,230,601.

**NOTE L - RESTATEMENT OF FUND BALANCES**

The previously stated fund balances have been adjusted as follows:

	<u>General Fund</u>	<u>Park Improvement Fund</u>	<u>Community Development Fund</u>
Fund balances, November 30, 2003, as previously reported	\$13,565,386	575,553	17,447
Restatement for:			
Accounts receivable	277,585	87,935	-
Compensated absences	582,159	-	3,562
Prepaid expenses	<u>119,511</u>	<u>-</u>	<u>-</u>
Fund Balances, November 30, 2003, As Restated	<u>\$14,544,641</u>	<u>663,488</u>	<u>21,009</u>

The previously stated government-wide net assets has been adjusted as follows:

Total net assets, November 30, 2003, as previously reported	\$22,336,871
Restatement for:	
Capital assets, net of accumulated depreciation	(58,635)
Court receivable	201,125
Accounts receivable	365,520
Prepaid expenses	119,511
Compensated absences	<u>(59,435)</u>
Net Assets, November 30, 2003, As Restated	<u>\$22,904,957</u>

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**

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**REQUIRED SUPPLEMENTAL INFORMATION SECTION**



**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<b>Budgeted Amounts</b>			<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
<b>Taxes</b>				
Cigarette tax	\$ 190,000	190,000	184,951	(5,049)
Gasoline tax	1,675,000	1,675,000	1,734,841	59,841
Road and bridge tax	475,000	475,000	511,463	36,463
Sales tax	6,750,000	6,750,000	6,769,086	19,086
Utility tax	1,700,000	1,700,000	1,785,159	85,159
Total Taxes	10,790,000	10,790,000	10,985,500	195,500
<b>Licenses and Permits</b>				
Business licenses	630,000	630,000	639,337	9,337
Liquor license	30,000	30,000	36,050	6,050
Building permits	200,000	200,000	295,840	95,840
Minimum housing	100,000	100,000	205,858	105,858
Annual sign fee	20,000	20,000	21,912	1,912
Other permits - excavating	30,000	30,000	25,023	(4,977)
Total Licenses And Permits	1,010,000	1,010,000	1,224,020	214,020
<b>Charges for Services</b>				
Skateboard park	5,000	5,000	1,833	(3,167)
Classes (except skate/swim)	60,000	60,000	47,252	(12,748)
Gym rental	15,000	15,000	3,450	(11,550)
Ice rink	65,000	65,000	60,761	(4,239)
Swimming pool - JJE	100,000	100,000	89,497	(10,503)
Swimming pool - Bangert	50,000	50,000	44,094	(5,906)
Swimming pool - Koch	150,000	150,000	119,666	(30,334)
Miscellaneous	75,000	75,000	148,614	73,614
Playground	34,000	34,000	34,380	380
Theatre	130,000	130,000	88,528	(41,472)
Concessions	125,000	125,000	100,773	(24,227)
Total Charges For Services	809,000	809,000	738,848	(70,152)
<b>Other</b>				
Other miscellaneous	150,000	150,000	337,109	187,109
Cable television	450,000	450,000	441,604	(8,396)
Senior citizen luncheons	15,000	15,000	19,333	4,333
Total Other	615,000	615,000	798,046	183,046
<b>Investment Income</b>	400,000	400,000	496,235	96,235
<b>Fines and Forfeitures</b>	1,250,000	1,250,000	1,468,368	218,368
<b>Intergovernmental</b>	100,000	100,000	240,817	140,817
Total Revenues	14,974,000	14,974,000	15,951,834	977,834

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>General Government</b>				
Legislative:				
Salaries	104,250	104,250	102,248	(2,002)
Employees' benefits	22,470	22,470	21,442	(1,028)
Dues, travel, and training	27,000	27,000	26,802	(198)
Total Legislative	<u>153,720</u>	<u>153,720</u>	<u>150,492</u>	<u>(3,228)</u>
Administrative:				
Salaries	932,210	942,210	935,084	(7,126)
Employees' benefits	340,130	340,900	310,336	(30,564)
Residency incentive program	144,000	144,000	139,100	(4,900)
Unemployment claims	20,000	26,000	17,987	(8,013)
City hall and litigation	30,500	25,500	17,412	(8,088)
Postage and printing	62,000	62,000	51,725	(10,275)
Office supplies/printing	45,000	45,000	35,174	(9,826)
Copy equipment rental/supplies	29,000	29,000	23,350	(5,650)
Mayor's expenditures	20,000	20,000	19,661	(339)
Dues, travel, and training	20,000	20,000	14,369	(5,631)
Professional services	295,400	353,550	337,261	(16,289)
Legal notices and advertising	30,000	30,000	11,248	(18,752)
Service awards	16,000	16,000	8,619	(7,381)
Insurance, fire, and liability	780,000	773,850	772,926	(924)
Organization dues	25,830	25,830	24,658	(1,172)
Boards and commissions	9,000	9,000	7,734	(1,266)
Election expenditure	20,000	40,000	39,370	(630)
Total Administrative	<u>2,819,070</u>	<u>2,902,840</u>	<u>2,766,014</u>	<u>(136,826)</u>
Senior services:				
Salaries	187,960	187,960	152,760	(35,200)
Employees' benefits	51,950	51,950	48,468	(3,482)
Uniforms and allowances	1,000	1,000	724	(276)
F.L.E.R.T.	9,000	11,500	10,314	(1,186)
Senior citizen buses	5,000	7,500	6,058	(1,442)
Building maintenance and supplies	5,000	7,500	6,333	(1,167)
Office supplies/printing	4,000	1,500	753	(747)
Dues, travel, and training	300	300	88	(212)
Senior citizen luncheons	20,000	20,000	19,603	(397)
Total Senior Services	<u>284,210</u>	<u>289,210</u>	<u>245,101</u>	<u>(44,109)</u>

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
EXPENDITURES (Continued)				
General Government (Continued)				
Media:				
Salaries	98,530	90,530	78,700	(11,830)
Employees' benefits	31,120	31,120	27,482	(3,638)
Equipment repairs	1,500	1,500	1,077	(423)
Office supplies/printing	2,000	2,000	1,408	(592)
Materials and supplies	2,500	2,500	1,362	(1,138)
Dues, travel, and training	1,200	1,200	1,083	(117)
Professional services	68,000	68,000	16,202	(51,798)
Organization dues	100	100	-	(100)
Capital outlay	-	8,000	8,000	-
Total Media	204,950	204,950	135,314	(69,636)
Municipal court:				
Salaries	334,930	334,930	239,556	(95,374)
Employees' benefits	58,970	58,970	58,029	(941)
Office supplies/printing	3,500	3,500	3,299	(201)
Dues, travel, and training	5,500	5,500	3,456	(2,044)
Professional services	85,000	85,000	68,194	(16,806)
Total Municipal Court	487,900	487,900	372,534	(115,366)
Information technology:				
Salaries	36,730	36,730	35,496	(1,234)
Employees' benefits	14,050	14,050	13,723	(327)
Office supplies/printing	13,700	13,700	11,833	(1,867)
Dues, travel, and training	4,000	4,000	2,506	(1,494)
Professional services	14,460	14,460	11,595	(2,865)
Total Information Technology	82,940	82,940	75,153	(7,787)
Housing center:				
Salaries	37,030	37,030	31,148	(5,882)
Employees' benefits	12,640	12,640	11,193	(1,447)
Office supplies/printing	1,500	1,500	1,250	(250)
Dues, travel, and training	2,000	2,000	989	(1,011)
Total Housing Center	53,170	53,170	44,580	(8,590)
Total General Government	4,085,960	4,174,730	3,789,188	(385,542)

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (Continued)</b>				
<b>Culture and Recreation</b>				
Community and civic center:				
Salaries	1,133,830	1,133,830	977,372	(156,458)
Employees' benefits	218,150	218,150	198,040	(20,110)
Total Community And Civic Center	<u>1,351,980</u>	<u>1,351,980</u>	<u>1,175,412</u>	<u>(176,568)</u>
Recreation - theatre:				
Salaries	170,100	170,100	157,164	(12,936)
Employees' benefits	48,520	48,520	41,616	(6,904)
Uniforms and allowances	250	250	99	(151)
Building maintenance and supplies	6,850	6,850	6,758	(92)
Office supplies/printing	8,970	8,970	8,949	(21)
Dues, travel, and training	4,600	4,600	4,470	(130)
Theatre workshop	52,950	52,950	42,935	(10,015)
Publicity	7,650	7,650	7,241	(409)
Total Recreation - Theatre	<u>299,890</u>	<u>299,890</u>	<u>269,232</u>	<u>(30,658)</u>
Recreation - playground:				
Salaries	135,820	135,820	116,912	(18,908)
Employees' benefits	10,390	10,390	8,944	(1,446)
Total Recreation - Playground	<u>146,210</u>	<u>146,210</u>	<u>125,856</u>	<u>(20,354)</u>
Recreation - Bangert:				
Salaries	168,260	168,260	138,304	(29,956)
Employees' benefits	12,870	12,870	10,580	(2,290)
Total Recreation - Bangert	<u>181,130</u>	<u>181,130</u>	<u>148,884</u>	<u>(32,246)</u>
Recreation - parks:				
Salaries	1,285,150	1,285,150	1,239,606	(45,544)
Employees' benefits	406,810	406,810	386,472	(20,338)
Total Recreation - Parks	<u>1,691,960</u>	<u>1,691,960</u>	<u>1,626,078</u>	<u>(65,882)</u>
Recreation - Koch Aquatic Center:				
Salaries	245,310	245,310	220,020	(25,290)
Employees' benefits	18,770	18,770	16,832	(1,938)
Total Recreation - Koch Aquatic Center	<u>264,080</u>	<u>264,080</u>	<u>236,852</u>	<u>(27,228)</u>
Total Culture And Recreation	<u>3,935,250</u>	<u>3,935,250</u>	<u>3,582,314</u>	<u>(352,936)</u>

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<b>Budgeted Amounts</b>			<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>EXPENDITURES (Continued)</b>				
<b>Public Safety</b>				
Police:				
Salaries	5,551,100	5,526,100	5,433,278	(92,822)
Employees' benefits	1,856,560	1,854,560	1,796,363	(58,197)
Uniforms and allowances	56,000	61,000	56,671	(4,329)
Utilities	115,700	137,700	136,556	(1,144)
Gasoline	71,500	106,500	105,934	(566)
Building maintenance and supplies	35,000	40,000	38,142	(1,858)
Equipment repairs - vehicles	21,500	21,500	15,607	(5,893)
Office supplies/printing	30,300	48,300	45,491	(2,809)
Copy equipment - rental/supply	14,000	14,000	9,552	(4,448)
Communication service	182,700	193,700	187,152	(6,548)
Ammunition - armory supplies	4,000	4,000	3,921	(79)
Dues, travel, and training	45,670	45,670	45,363	(307)
Total Public Safety - Police	7,984,030	8,053,030	7,874,030	(179,000)
<b>Public Works and Health</b>				
Public works:				
Salaries	2,035,110	2,035,110	1,981,271	(53,839)
Employees' benefits	701,720	701,720	668,931	(32,789)
Uniforms and allowances	12,000	12,000	11,804	(196)
Utilities	65,000	71,000	67,632	(3,368)
Gasoline	48,000	49,000	42,153	(6,847)
Office supplies/printing	18,500	18,500	15,724	(2,776)
Ice/snow removal	60,000	125,000	124,992	(8)
Dues, travel, and training	53,000	53,000	45,343	(7,657)
Professional services	71,200	215,600	206,209	(9,391)
Street lighting	525,000	525,000	503,907	(21,093)
Total Public Works	3,589,530	3,805,930	3,667,966	(137,964)
Health:				
Salaries	350,940	350,940	345,440	(5,500)
Employees' benefits	105,600	105,600	101,821	(3,779)
Uniforms and allowances	3,000	3,000	2,750	(250)
Utilities	7,000	7,000	5,372	(1,628)
Gasoline	8,500	10,000	9,647	(353)
Building maintenance and supplies	7,000	7,000	6,365	(635)
Office supplies/printing	2,000	2,000	1,926	(74)
Materials and supplies	25,000	25,000	24,714	(286)
Dues, travel, and training	200	200	176	(24)
Professional services	29,000	38,600	33,625	(4,975)
Total Health	538,240	549,340	531,836	(17,504)
Total Public Works And Health	4,127,770	4,355,270	4,199,802	(155,468)
Total Expenditures	20,133,010	20,518,280	19,445,334	(1,072,946)

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (5,159,010)</u>	<u>(5,544,280)</u>	<u>(3,493,500)</u>	<u>2,050,780</u>
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			137,278	
Expenditure accrual adjustments			(29,376)	
Encumbrance adjustments			171,771	
			<u>279,673</u>	
<b>REVENUES UNDER EXPENDITURES - GAAP BASIS</b>			(3,213,827)	
<b>FUND BALANCE, DECEMBER 1</b>			<u>14,544,641</u>	
<b>FUND BALANCE, NOVEMBER 30</b>			<u>\$ 11,330,814</u>	

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<b>Budgeted Amounts</b>			<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 2,850,000	2,850,000	3,037,034	187,034
Investment income	50,000	50,000	24,150	(25,850)
Intergovernmental	323,000	540,200	1,475,323	935,123
Total Revenues	3,223,000	3,440,200	4,536,507	1,096,307
<b>EXPENDITURES</b>				
Capital outlay	2,463,900	2,735,400	2,343,274	(392,126)
<b>REVENUES OVER EXPENDITURES</b>	759,100	704,800	2,193,233	1,488,433
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(775,000)	(775,000)	(751,837)	23,163
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (15,900)</u>	<u>(70,200)</u>	<u>1,441,396</u>	<u>1,511,596</u>
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			(234,124)	
Expenditure accrual adjustments			226,109	
Encumbrance adjustments			(1,069,068)	
			<u>(1,077,083)</u>	
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES - GAAP BASIS</b>			364,313	
<b>FUND BALANCE, DECEMBER 1</b>			<u>1,600,898</u>	
<b>FUND BALANCE, NOVEMBER 30</b>			<u>\$ 1,965,211</u>	

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - PARK IMPROVEMENT FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,500,000	1,500,000	1,604,931	104,931
Investment income	15,000	15,000	7,207	(7,793)
Intergovernmental	-	-	103,600	103,600
Total Revenues	<u>1,515,000</u>	<u>1,515,000</u>	<u>1,715,738</u>	<u>200,738</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	<u>1,032,620</u>	<u>1,268,620</u>	<u>1,055,211</u>	<u>(213,409)</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>482,380</u>	<u>246,380</u>	<u>660,527</u>	<u>414,147</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(679,500)</u>	<u>(679,500)</u>	<u>(611,462)</u>	<u>68,038</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (197,120)</u>	<u>(433,120)</u>	<u>49,065</u>	<u>482,185</u>
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			(46,047)	
Expenditure accrual adjustments			70,191	
Encumbrance adjustments			<u>(62,433)</u>	
			<u>(38,289)</u>	
<b>REVENUES OVER EXPENDITURES - GAAP BASIS</b>			<u>10,776</u>	
<b>FUND BALANCE, DECEMBER 1</b>			<u>663,488</u>	
<b>FUND BALANCE, NOVEMBER 30</b>			<u>\$ 674,264</u>	



**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN DEFICIT -**  
**BUDGET AND ACTUAL - SEWER LATERAL FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Taxes	\$ 465,000	465,000	536,673	71,673
Investment income	5,000	5,000	5,775	775
Miscellaneous	-	-	3,612	3,612
Total Revenues	<u>470,000</u>	<u>470,000</u>	<u>546,060</u>	<u>76,060</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>470,000</u>	<u>620,000</u>	<u>409,536</u>	<u>(210,464)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>(150,000)</u>	<u>136,524</u>	<u>286,524</u>
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			23,488	
Expenditure accrual adjustments			(10,813)	
Encumbrance adjustments			(2,996)	
			<u>9,679</u>	
<b>REVENUES OVER EXPENDITURES - GAAP BASIS</b>			146,203	
<b>DEFICIT, DECEMBER 1</b>			<u>(787,389)</u>	
<b>DEFICIT, NOVEMBER 30</b>			<u>\$ (641,186)</u>	

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (DEFICIT) - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

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**Budgets and Budgetary Accounting**

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

- a. The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following December 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted in the City to obtain taxpayer comments.
- c. The budget shall be adopted by the affirmative vote of a majority of the members of the Council no later than three days prior to the end of each respective fiscal year. Should the Council take no final action by this date, the budget, as submitted, shall be deemed to have been adopted.
- d. Current year budget includes amendments. The City Council is authorized to transfer budgeted amounts between departments within any fund and to alter the total expenditures of any fund. All appropriations not spent or legally encumbered at year-end lapse.
- e. Budgets are formally integrated into the City's internally generated financial statements as a management control device during the year for all funds budgeted.

Annual budgets are adopted for all funds except for the Capital Projects, Debt Service, and Community Development Funds. All budgets are adopted on a cash basis except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. Budgetary comparisons presented in this report compare budgeted amounts on the budgetary basis to actual amounts on the budgetary basis.

**OTHER SUPPLEMENTAL INFORMATION SECTION**

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts of major capital projects) that are legally restricted to expenditures for specific purposes.

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**NOVEMBER 30, 2004**

	<b>Special Revenue Funds</b>		<b>Total</b>
	<b>Community Development Fund</b>	<b>Home Equity Assurance Fund</b>	<b>Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 57,485	121,753	179,238
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 27,487	-	27,487
Accrued payroll	6,400	-	6,400
Total Liabilities	33,887	-	33,887
<b>Fund Balances</b>			
Reserved for encumbrances	202,990	-	202,990
Unreserved	(179,392)	121,753	(57,639)
Total Fund Balances	23,598	121,753	145,351
Total Liabilities And Fund Balances	\$ 57,485	121,753	179,238

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Community</u>	<u>Home Equity</u>	<u>Nonmajor</u>
	<u>Development</u>	<u>Assurance</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b>REVENUES</b>			
Other	\$ -	40	40
Investment income	-	1,202	1,202
Intergovernmental	309,624	-	309,624
Total Revenues	<u>309,624</u>	<u>1,242</u>	<u>310,866</u>
<b>EXPENDITURES</b>			
Current:			
General government	<u>307,035</u>	<u>-</u>	<u>307,035</u>
<b>REVENUES OVER EXPENDITURES</b>	2,589	1,242	3,831
<b>FUND BALANCES, DECEMBER 1</b>	<u>21,009</u>	<u>120,511</u>	<u>141,520</u>
<b>FUND BALANCES, NOVEMBER 30</b>	<u>\$ 23,598</u>	<u>121,753</u>	<u>145,351</u>

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - HOME EQUITY ASSURANCE FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
<b>REVENUES</b>			
Other	\$ -	40	40
Investment income	1,000	1,202	202
Total Revenues	1,000	1,242	242
<b>EXPENDITURES</b>			
Current:			
General government	1,000	-	(1,000)
<b>REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	1,242	<u>1,242</u>
<b>FUND BALANCE, DECEMBER 1</b>		<u>120,511</u>	
<b>FUND BALANCE, NOVEMBER 30</b>		<u>\$ 121,753</u>	

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**

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**ENTERPRISE FUND**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

**Golf Fund** -- This fund is used to account for the operations of the City's public golf course.



**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**STATEMENT OF REVENUES AND EXPENSES -**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

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	<u>Golf Fund</u>
<b>OPERATING REVENUES</b>	<u>\$ 926,696</u>
<b>OPERATING EXPENSES</b>	
Salaries	469,644
Employees benefits	102,230
Residency incentive program	2,700
Unemployment claims	573
Uniforms and allowances	1,322
Postage and printing	1,499
Telephone	3,474
Utilities	67,180
Gasoline	11,010
Merchandise	132,902
Building, maintenance, and supplies	81,465
Equipment repairs	31,364
Chemicals	45,911
Office supplies/printing	4,976
Dues, travel, and training	5,980
Professional services	70,757
Publicity	14,777
Insurance	35,000
Depreciation and amortization	111,742
Total Operating Expenses	<u>1,194,506</u>
<b>OPERATING LOSS</b>	(267,810)
<b>NONOPERATING EXPENSES</b>	
Interest and fiscal charges	<u>(1,524)</u>
<b>LOSS BEFORE TRANSFERS</b>	(269,334)
<b>TRANSFER IN</b>	<u>36,366</u>
<b>NET LOSS</b>	<u><u>\$ (232,968)</u></u>

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**

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**FIDUCIARY FUND TYPES - AGENCY FUNDS**

Agency Funds are used to account for assets held by the City as an agent for individual, private organizations, other governments, and/or other funds.

**Agency Funds** -- The Escrow and Court Bond Fund is used to account for the collection and release of monies in connection with construction permits being issued and to be held as bond deposits to ensure defendants' appearances in court.

**CITY OF FLORISSANT MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

	<u>Balance November 30 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance November 30 2004</u>
<b>ASSETS</b>				
Cash	\$ 768,592	201,215	-	969,807
Investments	-	50,000	-	50,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 768,592</u>	<u>251,215</u>	<u>-</u>	<u>1,019,807</u>
<b>LIABILITIES</b>				
Due to others:				
Court bonds	\$ 416,728	164,172	-	580,900
Construction deposits	70,306	-	9,013	61,293
Other deposits	187,467	81,636	-	269,103
	<u>674,501</u>	<u>245,808</u>	<u>9,013</u>	<u>911,296</u>
Due to other funds	94,091	14,420	-	108,511
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>\$ 768,592</u>	<u>260,228</u>	<u>9,013</u>	<u>1,019,807</u>

**SINGLE AUDIT SECTION**



**Hochschild, Bloom & Company LLP**

Certified Public Accountants  
Consultants and Advisors

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

January 5, 2005

Honorable Mayor and City Council  
**CITY OF FLORISSANT, MISSOURI**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 5, 2005. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our considera-

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tion of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting which we have reported to the management of the City in a separate letter dated January 5, 2005.

This report is intended solely for the information and use of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hochschild, Bloom + Company LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF FLORISSANT, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2004**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Number</u>	<u>Expenditures</u>
<b>U.S. Department of Transportation:</b>			
Missouri Department of Transportation:			
Highway Planning and Construction	20.205	STP-5513(607)	\$ 631,757
Highway Planning and Construction	20.205	STP-5521(602)	18,296
Highway Planning and Construction	20.205	STP-5521(603)	192,611
Highway Planning and Construction	20.205	STP-5595(610)	<u>176,314</u>
			1,018,978
Missouri Department of Public Safety:			
Highway Safety	20.600	04-PT-02-34	2,027
Alcohol Container Program	20.607	04-154-AL-15	<u>2,035</u>
			<u>1,023,040</u>
<b>U.S. Department of Housing and Urban Development:</b>			
Community Development Block Grant	14.218	-	<u>319,344</u>
<b>U.S. Department of Justice:</b>			
Bulletproof Vest Program	16.607	-	2,475
Missouri Department of Public Safety:			
Local Law Enforcement Block Grant	16.592	2003-LBG-023	9,000
Byrne Formula Grant	16.579	01-NCD4-077	6,149
Missouri Department of Mental Health:			
Alcohol Prevention Program	16.727	ADA-2003-P001	<u>8,521</u>
			<u>26,145</u>
<b>Federal Emergency Management Agency:</b>			
Missouri Emergency Management Agency:			
LEOP Grant	83.562	EMK-2003-GR-2540	14,250
CERT Grant	83.564	EMK-2003-GR-2541	<u>8,032</u>
			<u>22,282</u>
<b>U.S. Department of Homeland Security:</b>			
Missouri Emergency Management Agency:			
Emergency Management Performance Grant	97.042	EMK-2004-GR-4003	<u>23,909</u>
Total Awards Expended			<u>\$1,414,720</u>

**NOTES:**

**1. General**

The schedule of federal awards (schedule) presents the activity of all federal financial assistance programs of the City. The City's reporting entity is defined in Note A to the City's financial statements. Federal financial assistance received directly from federal agencies, as well as passed through other government agencies, is included on the schedule.

**2. Basis of Accounting**

The schedule is presented using the modified accrual basis of accounting, which is described in Note A of the City's financial statements.



## Hochschild, Bloom & Company LLP

Certified Public Accountants  
Consultants and Advisors

### REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 5, 2005

Honorable Mayor and City Council  
**CITY OF FLORISSANT, MISSOURI**

#### Compliance

We have audited the compliance of the **CITY OF FLORISSANT, MISSOURI** (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended November 30, 2004. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended November 30, 2004.

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## Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

## Schedule of Expenditure of Federal Awards

We have audited the financial statements of the City as of and for the year ended November 30, 2004, and have issued our report thereon dated January 5, 2005. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hochschild, Bloom + Company LLP*

CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF FLORISSANT, MISSOURI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**NOVEMBER 30, 2004**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

- I. Summary of the auditors' results:
  - A. The type of report issued on the financial statements of the auditee: Unqualified opinion.
  - B. No reportable conditions in internal control were disclosed by the audit of the financial statements.
  - C. The audit did not disclose any noncompliance which is material to the financial statements of the auditee.
  - D. No reportable conditions in internal control over major programs were disclosed by the audit.
  - E. The type of report the auditors issued on compliance for major programs: Unqualified opinion.
  - F. The audit disclosed no audit findings which the auditors are required to report under **§.510(a)**.
  - G. Identification of major programs: Highway Planning and Construction.
  - H. The dollar threshold used to distinguish between Type A and Type B programs, as described in **§.520(b)**: \$300,000.
  - I. The auditee does qualify as a low-risk auditee under **§.530**.
- II. Findings relating to the financial statements which are required to be reported in accordance with GAGAS: None
- III. Findings and questioned costs for federal awards which shall include audit findings as defined in **§.510(a)**: None

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Findings relating to financial statements which are required to be reported in accordance with *Government Auditing Standards*:

None