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1-1-2006

## Financial Report, 2005

City of Florissant

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**CITY OF FLORISSANT,  
MISSOURI**

**Financial Report**  
(Audited)

Year Ended November 30, 2005

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**CITY OF FLORISSANT, MISSOURI**  
**FINANCIAL REPORT**

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

## INDEPENDENT AUDITORS' REPORT

December 21, 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, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of November 30, 2005, 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.

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

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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

# CITY OF FLORISSANT, MISSOURI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED NOVEMBER 30, 2005

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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, 2005. 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 third 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, 2005, the City's assets for governmental and business-type activities exceeded liabilities by \$24,548,499. This amount includes \$1,334,984 of resources that are restricted to specific projects by laws, regulations, or contractual agreements related to debt service and \$11,888,968 invested in capital assets, net of related debt. \$11,324,547 of these assets are unrestricted and available to fund future services.
- Cash and investment balances, including investments for restricted assets, for governmental and business-type activities as of November 30, 2005 were \$11,966,386 and current liabilities were \$2,312,240.
- Net assets for governmental and business-type activities decreased by \$83,756.
- Fund balances, a measure of current financial resources not otherwise budgeted or encumbered, in the governmental funds decreased \$535,972 to a total of \$14,455,534. \$11,521,185 is unreserved and available for future programs.
- The General Fund unreserved fund balance is \$9,985,133, which represents 48.8% of the final adopted appropriation budget.
- The Capital Improvements Fund unreserved fund balance is \$1,026,102 which represents 28.6% of the final adopted appropriation budget, including transfers out for debt service payments.
- The Park Improvement Fund unreserved fund balance is \$593,064 which represents 31.1% of the final adopted appropriation budget, including transfers out for debt service payments.
- The utility license tax for electric, gas, telephone, and water was increased from 3% to 5% effective November 1, 2004. Revenues increased 72.7% to \$3,083,772.
- The City's total scheduled long-term debt is \$11,505,000. 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 community and 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. All renovations were essentially completed in 2005 with the exception of minor items in dispute with the contractor.

#### **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.

#### *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.

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2005**

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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 third year that the City has adopted this new format as required by the Governmental Accounting Standards Board.

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.

The City uses the following governmental funds:

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

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2005**

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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, 2005 and 2004 (dollars in thousands):



**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2005**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>						
Current and other assets	\$15,842	16,557	(71)	(75)	15,771	16,482
Capital assets	<u>20,446</u>	<u>20,493</u>	<u>2,948</u>	<u>3,037</u>	<u>23,394</u>	<u>23,530</u>
Total Assets	<u>36,288</u>	<u>37,050</u>	<u>2,877</u>	<u>2,962</u>	<u>39,165</u>	<u>40,012</u>
<b>LIABILITIES</b>						
Long-term debt outstanding	12,304	13,123	-	-	12,304	13,123
Other liabilities	<u>2,059</u>	<u>2,134</u>	<u>253</u>	<u>123</u>	<u>2,312</u>	<u>2,257</u>
Total Liabilities	<u>14,363</u>	<u>15,257</u>	<u>253</u>	<u>123</u>	<u>14,616</u>	<u>15,380</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	8,941	8,138	2,948	3,037	11,889	11,175
Restricted	1,335	1,305	-	-	1,335	1,305
Unrestricted (deficit)	<u>11,649</u>	<u>12,350</u>	<u>(324)</u>	<u>(198)</u>	<u>11,325</u>	<u>12,152</u>
Total Net Assets	<u>\$21,925</u>	<u>21,793</u>	<u>2,624</u>	<u>2,839</u>	<u>24,549</u>	<u>24,632</u>

Total net assets in the governmental activities increased \$132,000 over 2004. \$1.335 million of the City's net assets are restricted to comply with provisions of various laws, regulations, and contractual agreements related to debt service.

Total liabilities in the governmental activities decreased \$894,000. Long-term debt outstanding was reduced by \$819,000, which included a reduction of \$850,000 for principal on the 2002 Certificates of Participation bonds. Compensated absences and accrued payroll increased by \$47,000. Other liabilities were reduced by \$250,000 with the accounts payable liability being reduced by \$242,000. The long-term pension payment obligation for the defined benefit pension plan increased by \$166,000.

Business-type activities represent operations at the municipal golf course. Other liabilities for business-type activities increased from \$123,000 in 2004 to \$253,000 in 2005. This is attributable to \$210,000 in bank overdrafts incurred by golf course operations. Bank overdrafts are checks written from the General Fund for expenses incurred by the golf course when the golf course lacked sufficient cash balances to cover the expense.

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, 2005 and 2004 (dollars in thousands):

**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2005**

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 4,329	3,309	852	927	5,181	4,236
Operating grants and contributions	2,629	2,883	-	-	2,629	2,883
Capital grants and contributions	67	1,332	-	-	67	1,332
General revenues:						
Sales tax	11,937	11,441	-	-	11,937	11,441
Utility tax	3,140	1,841	-	-	3,140	1,841
Investment income	524	517	-	-	524	517
Licenses and permits	744	697	-	-	744	697
Other general revenues	<u>1,039</u>	<u>992</u>	<u>-</u>	<u>-</u>	<u>1,039</u>	<u>992</u>
Total Revenues	<u>24,409</u>	<u>23,012</u>	<u>852</u>	<u>927</u>	<u>25,261</u>	<u>23,939</u>
<b>PROGRAM EXPENSES</b>						
General government	3,933	4,215	-	-	3,933	4,215
Culture and recreation	4,901	5,215	1,082	1,196	5,983	6,411
Public safety	8,673	8,365	-	-	8,673	8,365
Public works and health	6,185	5,758	-	-	6,185	5,758
Interest on long-term debt	<u>571</u>	<u>535</u>	<u>-</u>	<u>-</u>	<u>571</u>	<u>535</u>
Total Program Expenses	<u>24,263</u>	<u>24,088</u>	<u>1,082</u>	<u>1,196</u>	<u>25,345</u>	<u>25,284</u>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS</b>						
	146	(1,076)	(230)	(269)	(84)	(1,345)
<b>TRANSFERS</b>	<u>(15)</u>	<u>(36)</u>	<u>15</u>	<u>36</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 131</u>	<u>(1,112)</u>	<u>(215)</u>	<u>(233)</u>	<u>(84)</u>	<u>(1,345)</u>

Operating results in governmental activities resulted in an increase in net assets of \$131,000. This is a tremendous improvement over 2004. Total revenues increased 6.1%. Utility tax revenue increased 70.6% resulting from an increase in the utility tax rate on electric, gas, telephone, and water from 3% to 5%. Charges for services increased 30.8% due to increased grant revenue for street and bridge projects and increased user fees resulting from the renovations to the civic centers. Sales tax revenue increased 4.3%. Program expenses were held to a minimal increase of 0.7%.

Operating results from business-type activities, the golf course, resulted in a decrease in net assets of \$215,000, which is slightly better than 2004. Charges for services decreased 8.1% while program expenses decreased 9.5%. Program revenue and expenses were both negatively affected by the closing of the Old Halls Ferry Road bridge for reconstruction, which effectively blocked the main access route to the course. Access to the course was restricted to an inconvenient and circuitous detour for the bulk of the season.

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2005**

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**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. Total governmental fund balances decreased \$535,972. The General Fund balance decreased \$905,816 while the Sewer Lateral Fund balance increased \$580,990 on the strength of an increase in the sewer lateral fee from \$28 to \$50. The effects of the 2000 census population decline on per capita revenue sources, such as sales tax, motor fuel tax, and cigarette tax, combined with the general economic malaise following the September 11, 2001 terrorist attack are significant reasons for the decrease in General Fund balances. The Capital Improvements Fund balance decreased \$141,505 as a result of accounting adjustments made to reconcile multi-year grant projects.

Nonmajor funds include the Community Development, Home Equity Assurance, Debt Service, and Capital Projects 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.

**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 general 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

Overall revenue results for the year were excellent, exceeding the budget estimate by \$1,489,005 or 9.0%. Sales tax growth in the General Fund was particularly robust when compared to the results of fiscal year 2004 with an increase of \$436,555 or 6.5% while exceeding the budget estimate by \$205,641. This reflects the overall strength of the regional economy as the City receives this sales tax from a shared countywide pool.

**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2005**

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Utility tax proceeds exceeded the budget estimate by \$183,772 or 6.3%. Utility tax receipts reflected the unexpected increase in underlying energy costs resulting from hurricanes Dennis, Emily, Katrina, and Rita, which devastated the gulf coast petroleum production facilities and related infrastructure.

Building permits and minimum housing or occupancy fees exceeded the budget estimate by \$243,241 or 69.5%. This reflects a conservative budget philosophy, the strong local housing market, and a 9.0% increase in the underlying fee structure. Business licenses exceeded the budget estimate by \$58,150 or 9.2%.

Miscellaneous park revenues exceeded the budget by \$232,560 or 290.7%. This result is attributable to the recently completed renovations of the James J. Eagan and John F. Kennedy community and civic centers. Both centers added fitness centers featuring a wide range of equipment and amenities, which have proven to be extremely popular. The renovated meeting rooms at both centers are also very popular. The City's budget philosophy is to wait until these amenities have a proven track record before reflecting their performance in the estimated revenue budget.

Municipal court revenues exceeded the budget estimate by \$298,982 or 23.0%. This reflects the City's philosophy to de-emphasize court fines and fees as a source of revenue. Court revenue has traditionally been deliberately underestimated in the revenue budget so as not to give any hint of a target, quota, or a reliance on court fines and costs as a source of revenue. With revenue of \$1,598,982 court revenues represented 8.9% of total general revenue.

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

- \$115,000 – Additional sewer lateral repairs
- \$100,000 – Sunset Park street addition, 100% grant reimbursement
- \$ 85,000 – Professional assistance with downtown TIF project
- \$ 75,000 – Additional legal services
- \$ 70,725 – Develop plans to renovate the Bockrath-Wiese historic house
- \$ 55,000 – Gasoline for Police vehicles
- \$ 40,000 – Park tree trimming and removal
- \$ 30,000 – Sidewalk repair and replacement program
- \$ 25,000 – Contract with legislative consultant
- \$ 25,000 – Theater lights, 100% grant reimbursement

#### **Capital Asset 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, 2005 and 2004 follows (dollars in thousands):

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2005**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 2,402	2,402	2,174	2,174	4,576	4,576
Buildings	5,181	5,476	489	521	5,670	5,997
Improvements	2,479	2,559	233	250	2,712	2,809
Equipment	2,491	2,753	52	92	2,543	2,845
Infrastructure	2,966	2,501	-	-	2,966	2,501
Construction in progress	<u>4,927</u>	<u>4,802</u>	<u>-</u>	<u>-</u>	<u>4,927</u>	<u>4,802</u>
Total	<u>\$20,446</u>	<u>20,493</u>	<u>2,948</u>	<u>3,037</u>	<u>23,394</u>	<u>23,530</u>

Capital assets, net of depreciation, for the governmental activities reflects an increase in infrastructure resulting from the Loekes Drive street and storm water improvement project. \$4.927 million for construction in progress represents the renovations to the James J. Eagan and John F. Kennedy community and civic centers. See Note C for further information.

*Long-term Debt*

The City's scheduled long-term outstanding debt for the governmental and business-type activities as of November 30, 2005 and 2004 are summarized as follows (dollars in thousands):

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Series 2002	<u>\$11,505</u>	<u>12,355</u>	<u>-</u>	<u>-</u>	<u>11,505</u>	<u>12,355</u>

The City has \$11.505 million in notes outstanding from the 2002 certificates of participation issued to renovate the James J. Eagan and John F. Kennedy community and civic centers and Bangert Pool. The principal balance on this debt decreased \$850,000 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.

The City has other long-term debt related to compensated absences of \$799,134. See Note D for further information.

**The Outlook for Next Year**

Overall revenue performance in 2005 was excellent. Combined sales tax revenues in the General, Capital Improvements, and Park Improvement Funds increased \$496,352 or 4.3% over 2004. The 1% countywide sales tax reflected in the General Fund was particularly robust with growth of 6.4% or \$436,555. Utility tax receipts increased 72.7% or \$1,298,613, driven by an increase in the tax rate from 3% to 5%. Sales tax receipts in the Park Improvement Fund over the last two years have been strong and point to the strength of the local economy and the positive effect of various local redevelopment projects. The 2006 budget reflects continued overall revenue growth within these three major funds.

**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2005**

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The Shoppes at Cross Keys redevelopment project is now complete and represents a tremendous asset to the City. The center is fully leased and major retailers at this location include a *Schnucks* grocery store and a *Home Depot* home improvement store. The development also includes a *Barnes & Nobel*, the first national bookstore chain located in Florissant and all of north St. Louis County. Restaurants include *Arby's*, *Chili's*, *Cold Stone Creamery*, *O'Charlies*, *Qdoba*, and *Sonic*. Clothing stores include *Lane Bryant*, *Marshall's*, and *The Men's Warehouse*.

Additional redevelopment projects that are moving forward include:

- Ground has been broken for the The Shoppes at Koch Park redevelopment project located at the corner of Shackelford/Howdershell and Charbonier/Missouri Bottom which will include a *Shop-N-Save* grocery store plus additional retail;
- Opposing corners at the intersection of North New Florissant Road and Dunn Road on the north side of Highway 270 are slated for redevelopment;
- Plans for the Old Town TIF District are moving forward. This will serve as a mechanism to fund improvements for both commercial and residential properties in the Old Town area; and
- The City is actively seeking to redevelop the site of a closed gas station and restaurant at the corner of North Highway 67 and Florissant Road.

The results of the 2000 Federal decennial census reduced a number of the City's significant revenue sources that are based on population. The result was the development of a structural imbalance between budgeted revenues and expenditures forcing the City to use significant reserve balances in an effort to maintain existing service and program levels.

To lessen the dependence on reserve balances due to this structural imbalance, a number of steps have been taken to reduce the 2006 budget. A number of full-time positions have been left vacant when employees either retired or separated from service and some part-time positions have been reduced or 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 of Florissant approved an increase in the annual fee imposed for the repairs of defective lateral sewer service lines from \$28 to \$50. This has allowed repayment of all advances to the Sewer Lateral Fund in the 2006 budget. The state legislature adopted HB209 in 2005. This will extend the utility tax on telephones to include mobile phone service.

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, 2005**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
<b>ASSETS</b>				
Cash	\$ 2,411,800	-	2,411,800	-
Investments	8,219,602	-	8,219,602	37,607
Prepaid expenses	121,555	-	121,555	-
Receivables:				
Taxes	3,105,091	-	3,105,091	126,960
Interest	117,693	-	117,693	-
Intergovernmental	30,077	-	30,077	-
Court	254,717	-	254,717	-
Other	11,580	-	11,580	-
Internal balances	100,785	(100,785)	-	-
Due from Fiduciary Fund	133,841	-	133,841	-
Inventories	-	29,965	29,965	-
Restricted assets:				
Investments	1,334,984	-	1,334,984	1,204,330
Bond issue costs	-	-	-	659,934
Capital assets:				
Land and construction in progress	7,329,547	2,174,160	9,503,707	-
Other capital assets, net of accumulated depreciation	13,116,502	773,759	13,890,261	-
Total Assets	<u>36,287,774</u>	<u>2,877,099</u>	<u>39,164,873</u>	<u>2,028,831</u>
<b>LIABILITIES</b>				
Bank overdraft	-	209,984	209,984	-
Accounts payable	449,328	6,176	455,504	-
Accrued interest payable	165,023	-	165,023	84,479
Compensated absences and accrued payroll	682,146	37,249	719,395	-
Net pension obligation	762,334	-	762,334	-
Noncurrent liabilities:				
Due within one year	1,560,000	-	1,560,000	-
Due in more than one year	10,744,134	-	10,744,134	18,770,000
Total Liabilities	<u>14,362,965</u>	<u>253,409</u>	<u>14,616,374</u>	<u>18,854,479</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	8,941,049	2,947,919	11,888,968	-
Restricted for debt service	1,334,984	-	1,334,984	1,204,330
Unrestricted (deficit)	11,648,776	(324,229)	11,324,547	(18,029,978)
Total Net Assets	<u>\$ 21,924,809</u>	<u>2,623,690</u>	<u>24,548,499</u>	<u>(16,825,648)</u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2005**

	Net Revenues (Expenses) And Changes In Net Assets							
	Expenses	Program Revenues			Primary Government			Component Unit
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
<b>FUNCTIONS/PROGRAMS</b>								
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General government	\$ 3,932,535	-	226,811	-	(3,705,724)	-	(3,705,724)	-
Culture and recreation	4,900,803	1,063,481	-	-	(3,837,322)	-	(3,837,322)	-
Public safety	8,673,277	1,677,903	131,399	-	(6,863,975)	-	(6,863,975)	-
Public works and health	6,185,223	1,588,059	2,271,089	66,955	(2,259,120)	-	(2,259,120)	-
Interest on long-term debt	571,064	-	-	-	(571,064)	-	(571,064)	-
Total Governmental Activities	<u>24,262,902</u>	<u>4,329,443</u>	<u>2,629,299</u>	<u>66,955</u>	<u>(17,237,205)</u>	<u>-</u>	<u>(17,237,205)</u>	<u>-</u>
<b>Business-type Activities</b>								
Golf course	1,082,318	852,434	-	-	-	(229,884)	(229,884)	-
Total Primary Government	<u>\$ 25,345,220</u>	<u>5,181,877</u>	<u>2,629,299</u>	<u>66,955</u>	<u>(17,237,205)</u>	<u>(229,884)</u>	<u>(17,467,089)</u>	<u>-</u>
<b>Component Unit</b>								
Industrial Development Authority	<u>\$ 1,102,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,102,332)</u>	<u>-</u>
<b>General Revenues</b>								
<b>Taxes:</b>								
Sales					11,937,085	-	11,937,085	991,083
Utility					3,139,759	-	3,139,759	-
Property					-	-	-	214,103
Other					181,728	-	181,728	-
Investment income					523,595	-	523,595	51,349
Licenses and permits					744,172	-	744,172	-
Other					856,994	-	856,994	-
Transfers					(14,713)	14,713	-	-
Total General Revenues And Transfers					<u>17,368,620</u>	<u>14,713</u>	<u>17,383,333</u>	<u>1,256,535</u>
<b>Change In Net Assets</b>					131,415	(215,171)	(83,756)	154,203
Net Assets, December 1					<u>21,793,394</u>	<u>2,838,861</u>	<u>24,632,255</u>	<u>(16,979,851)</u>
Net Assets, November 30					<u>\$ 21,924,809</u>	<u>2,623,690</u>	<u>24,548,499</u>	<u>(16,825,648)</u>

See notes to financial statements



**CITY OF FLORISSANT, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**NOVEMBER 30, 2005**

	General Fund	Capital Improvements Fund	Park Improvement Fund	Sewer Lateral Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 1,561,344	389,497	182,972	136,562	141,425	2,411,800
Investments	6,600,578	1,091,484	300,000	150,000	77,540	8,219,602
Prepaid items	121,555	-	-	-	-	121,555
Receivables:						
Taxes	2,221,146	537,686	251,260	94,999	-	3,105,091
Interest	111,647	5,488	278	280	-	117,693
Intergovernmental	30,077	-	-	-	-	30,077
Court	254,717	-	-	-	-	254,717
Other	-	-	11,580	-	-	11,580
Restricted assets:						
Investments	-	-	-	-	1,334,984	1,334,984
Due from other funds	581,636	-	65,727	-	-	647,363
<b>Total Assets</b>	<b>\$ 11,482,700</b>	<b>2,024,155</b>	<b>811,817</b>	<b>381,841</b>	<b>1,553,949</b>	<b>16,254,462</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 134,744	200,449	29,586	17,484	67,065	449,328
Accrued payroll	668,241	-	-	11,816	2,089	682,146
Deferred revenue	254,717	-	-	-	-	254,717
Due to other funds	-	-	-	412,737	-	412,737
<b>Total Liabilities</b>	<b>1,057,702</b>	<b>200,449</b>	<b>29,586</b>	<b>442,037</b>	<b>69,154</b>	<b>1,798,928</b>
<b>Fund Balances (Deficit)</b>						
Reserved for:						
Encumbrances	318,310	797,604	189,167	10,249	162,480	1,477,810
Debt service	-	-	-	-	1,334,984	1,334,984
Prepaid items	121,555	-	-	-	-	121,555
Unreserved, reported in:						
General Fund	9,985,133	-	-	-	-	9,985,133
Special Revenue Funds	-	1,026,102	593,064	(70,445)	(25,224)	1,523,497
Capital Projects Fund	-	-	-	-	12,555	12,555
<b>Total Fund Balances (Deficit)</b>	<b>10,424,998</b>	<b>1,823,706</b>	<b>782,231</b>	<b>(60,196)</b>	<b>1,484,795</b>	<b>14,455,534</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 11,482,700</b>	<b>2,024,155</b>	<b>811,817</b>	<b>381,841</b>	<b>1,553,949</b>	<b>16,254,462</b>

**CITY OF FLORISSANT, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**NOVEMBER 30, 2005**

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Total Fund Balances - Governmental Funds \$ 14,455,534

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 \$29,734,472 and the accumulated depreciation is \$9,288,423. 20,446,049

Municipal court receivables are assessed by the City, but are not collected as of November 30, 2005 and deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements. 254,717

The net pension obligation is not a current financial obligation and, therefore, is not reported in the funds. (762,334)

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	(165,023)
Certificates of participation	(11,505,000)
Compensated absences	(799,134)
	(12,469,157)

Net Assets Of Governmental Activities \$ 21,924,809

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**(DEFICIT) - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2005**

	General Fund	Capital Improvements Fund	Park Improvement Fund	Sewer Lateral Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 12,888,595	3,018,677	1,610,541	970,158	-	18,487,971
Licenses and permits	1,362,073	-	-	-	-	1,362,073
Charges for services	1,063,481	-	-	-	-	1,063,481
Other	843,790	-	2,333	10,821	50	856,994
Investment income	361,958	57,907	22,206	16,841	64,683	523,595
Fines and forfeitures	1,624,311	-	-	-	-	1,624,311
Intergovernmental	143,247	66,955	-	-	226,811	437,013
Total Revenues	<u>18,287,455</u>	<u>3,143,539</u>	<u>1,635,080</u>	<u>997,820</u>	<u>291,544</u>	<u>24,355,438</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,592,109	-	-	-	268,148	3,860,257
Culture and recreation	3,566,744	-	840,351	-	-	4,407,095
Public safety	8,064,441	-	-	-	-	8,064,441
Public works and health	3,961,977	-	-	357,718	171,262	4,490,957
Capital outlay	8,000	2,518,887	98,204	-	-	2,625,091
Debt service	-	-	-	59,112	1,369,744	1,428,856
Total Expenditures	<u>19,193,271</u>	<u>2,518,887</u>	<u>938,555</u>	<u>416,830</u>	<u>1,809,154</u>	<u>24,876,697</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(905,816)</u>	<u>624,652</u>	<u>696,525</u>	<u>580,990</u>	<u>(1,517,610)</u>	<u>(521,259)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	1,340,002	1,340,002
Transfers out	-	(766,157)	(588,558)	-	-	(1,354,715)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(766,157)</u>	<u>(588,558)</u>	<u>-</u>	<u>1,340,002</u>	<u>(14,713)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(905,816)</u>	<u>(141,505)</u>	<u>107,967</u>	<u>580,990</u>	<u>(177,608)</u>	<u>(535,972)</u>
<b>FUND BALANCES (DEFICIT), DECEMBER 1</b>	<u>11,330,814</u>	<u>1,965,211</u>	<u>674,264</u>	<u>(641,186)</u>	<u>1,662,403</u>	<u>14,991,506</u>
<b>FUND BALANCES (DEFICIT), NOVEMBER 30</b>	<u>\$ 10,424,998</u>	<u>1,823,706</u>	<u>782,231</u>	<u>(60,196)</u>	<u>1,484,795</u>	<u>14,455,534</u>

**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, 2005**

Net Change In Fund Balances - Governmental Funds \$ (535,972)

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 depreciation (\$1,001,608) exceeded capital outlays over the capitalization threshold (\$985,137) in the current period. (16,471)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (30,769)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 53,592

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Net pension obligation. (165,616)

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	7,792	
Certificates of participation principal payments	850,000	
Compensated absences	(31,141)	
Net Adjustment		826,651

Change In Net Assets Of Governmental Activities \$ 131,415

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF NET ASSETS - ENTERPRISE FUND**  
**NOVEMBER 30, 2005**

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**ASSETS**

Inventories	\$ 29,965
Capital assets, net of accumulated depreciation	<u>2,947,919</u>
Total Assets	<u>2,977,884</u>

**LIABILITIES**

Bank overdraft	209,984
Accounts payable	6,176
Compensated absences and accrued payroll	37,249
Due to other funds	<u>100,785</u>
Total Liabilities	<u>354,194</u>

**NET ASSETS**

Invested in capital assets, net of related debt	2,947,919
Unrestricted (deficit)	<u>(324,229)</u>
Total Net Assets	<u>\$ 2,623,690</u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS -**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2005**

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<b>OPERATING REVENUES</b>	\$ 852,434
<b>OPERATING EXPENSES</b>	<u>1,074,272</u>
<b>OPERATING LOSS</b>	(221,838)
<b>NONOPERATING EXPENSES</b>	
Interest and fiscal charges	<u>(8,046)</u>
<b>LOSS BEFORE TRANSFERS IN</b>	(229,884)
<b>TRANSFERS IN</b>	<u>14,713</u>
<b>CHANGE IN NET ASSETS</b>	(215,171)
<b>NET ASSETS, DECEMBER 1</b>	<u>2,838,861</u>
<b>NET ASSETS, NOVEMBER 30</b>	<u><u>\$ 2,623,690</u></u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF CASH FLOWS -**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2005**

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

**Cash flows from operating activities:**

Receipts from customers and users	\$ 852,434
Payments to suppliers	(851,162)
Net Cash Provided By Operating Activities	1,272

**Cash flows from noncapital financing activities:**

Advance from other funds	661
Transfers in	14,713
Net Cash Provided By Noncapital Financing Activities	15,374

**Cash flows from investing activities:**

Purchase of capital assets	(8,600)
Other expenses	(8,046)
Net Cash Used By Investing Activities	(16,646)

**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 PROVIDED BY OPERATING ACTIVITIES:**

Operating loss	\$ (221,838)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	97,286
(Increase) decrease in:	
Inventories	(4,885)
Increase (decrease) in:	
Bank overdraft	145,794
Accounts payable	(5,990)
Compensated absences and accrued payroll	(9,095)
Total Adjustments	223,110
Net Cash Provided By Operating Activities	\$ 1,272

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
**NOVEMBER 30, 2005**

	<b>Pension Trust Fund</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash	\$ -	1,011,840
Investments	10,827,972	150,000
Total Assets	10,827,972	1,161,840
<b>LIABILITIES</b>		
Due to others:		
Court bonds	-	706,191
Construction deposits	-	60,497
Other deposits	-	261,311
	-	1,027,999
Due to other funds	-	133,841
Total Liabilities	-	1,161,840
<b>NET ASSETS</b>		
Held in trust for pension benefits	\$ 10,827,972	-



**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -**  
**PENSION TRUST FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2005**

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**ADDITIONS**

Employer contributions	<u>\$ 674,943</u>
Investment income:	
Net appreciation in fair value of investments and interest and dividends	1,366,292
Investment expense	(45,154)
Net Investment Income	<u>1,321,138</u>
Total Additions	1,996,081

**DEDUCTIONS**

Benefits	<u>965,130</u>
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**NET INCREASE**

1,030,951

**NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, DECEMBER 1**

9,797,021

**NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, NOVEMBER 30**

\$ 10,827,972

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

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**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. 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 Funds 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**

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**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.

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 City 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 GASB. 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 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

**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)**

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 subject 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".

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

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

**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 improvements	15 - 50
Infrastructure	30 - 50
Vehicles and equipment	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.

**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.

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

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

**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.

**12. Use of Estimates**

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. 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, 2005, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

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

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

**2. Investments**

As of November 30, 2005, the City had the following investments:

<u>Investments</u>	<u>Fair Market Value</u>	<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	<u>Credit Risk</u>
<b>Primary Government</b>					
Certificates of deposit	\$ 6,250,000	-	6,250,000	-	N/A
Government securities:					
Federal agencies	3,168,020	-	2,268,020	900,000	AAA
Money market	<u>136,566</u>	<u>136,566</u>	<u>-</u>	<u>-</u>	Not rated
Total Primary Government Investments	<u>9,554,586</u>	<u>136,566</u>	<u>8,518,020</u>	<u>900,000</u>	
<b>Fiduciary Funds</b>					
Certificates of deposit	150,000	-	50,000	100,000	N/A
Common stock	2,004,874	2,004,874	-	-	N/A
Pension plan pooled investments:					
Common stock funds	6,812,423	6,812,423	-	-	N/A
Other funds	<u>2,010,675</u>	<u>2,010,675</u>	<u>-</u>	<u>-</u>	Not available
Total Fiduciary Investments	<u>10,977,972</u>	<u>10,827,972</u>	<u>50,000</u>	<u>100,000</u>	
<b>Component Unit</b>					
Money market	250,937	250,937	-	-	Not rated
Repurchase agreement	<u>991,000</u>	<u>991,000</u>	<u>-</u>	<u>-</u>	N/A
Total Component Unit Investments	<u>1,241,937</u>	<u>1,241,937</u>	<u>-</u>	<u>-</u>	
Grand Total Investments	<u>\$21,774,495</u>	<u>12,206,475</u>	<u>8,568,020</u>	<u>1,000,000</u>	

**Investments Policies**

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City minimizes credit risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing op-



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

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

**2. Investments (Continued)**

erations, thereby avoiding the need to sell securities on the open market prior to maturity and investing primarily in shorter term securities.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City minimizes concentration of credit risk by diversifying the investment portfolio.

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

	<u>For The Year Ended November 30, 2005</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>November 30</u>	<u>Additions</u>	<u>Deletions</u>	<u>November 30</u>
	<u>2004</u>			<u>2005</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 2,402,108	-	-	2,402,108
Construction in process	<u>4,802,034</u>	<u>672,075</u>	<u>546,670</u>	<u>4,927,439</u>
Total Capital Assets Not				
Being Depreciated	<u>7,204,142</u>	<u>672,075</u>	<u>546,670</u>	<u>7,329,547</u>
Capital assets being depreciated:				
Buildings	10,569,503	-	-	10,569,503
Improvements	2,877,420	58,499	-	2,935,919
Infrastructure	2,523,425	546,670	-	3,070,095
Vehicles and equipment	<u>5,825,327</u>	<u>254,563</u>	<u>250,482</u>	<u>5,829,408</u>
Total Capital Assets Being				
Depreciated	<u>21,795,675</u>	<u>859,732</u>	<u>250,482</u>	<u>22,404,925</u>
Less - Accumulated depreciation				
for:				
Buildings	5,093,918	294,851	-	5,388,769
Improvements	318,163	138,841	-	457,004
Infrastructure	21,918	81,860	-	103,778
Vehicles and equipment	<u>3,072,529</u>	<u>486,056</u>	<u>219,713</u>	<u>3,338,872</u>
Total Accumulated				
Depreciation	<u>8,506,528</u>	<u>1,001,608</u>	<u>219,713</u>	<u>9,288,423</u>
Total Capital Assets Being				
Depreciated, Net	<u>13,289,147</u>	<u>(141,876)</u>	<u>30,769</u>	<u>13,116,502</u>
Governmental Activities				
Capital Assets, Net	<u>\$20,493,289</u>	<u>530,199</u>	<u>577,439</u>	<u>20,446,049</u>

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

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

	<u>For The Year Ended November 30, 2005</u>			
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	<u>November 30</u>			<u>November 30</u>
	<u>2004</u>			<u>2005</u>
<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
Vehicles and equipment	<u>556,956</u>	<u>8,600</u>	<u>2,963</u>	<u>562,593</u>
Total Capital Assets Being Depreciated	<u>1,644,679</u>	<u>8,600</u>	<u>2,963</u>	<u>1,650,316</u>
Less - Accumulated depreciation for:				
Buildings and improvements	209,908	32,418	-	242,326
Land improvements	106,986	16,794	-	123,780
Vehicles and equipment	<u>465,340</u>	<u>48,074</u>	<u>2,963</u>	<u>510,451</u>
Total Accumulated Depreciation	<u>782,234</u>	<u>97,286</u>	<u>2,963</u>	<u>876,557</u>
Total Capital Assets Being Depreciated, Net	<u>862,445</u>	<u>(88,686)</u>	<u>-</u>	<u>773,759</u>
Business-type Activities Capital Assets, Net	<u>\$3,036,605</u>	<u>(88,686)</u>	<u>-</u>	<u>2,947,919</u>

The City increased its beginning governmental capital asset balance by \$133,247 for a schedule inventory adjustment.

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

	<u>For The</u> <u>Year Ended</u> <u>November 30</u> <u>2005</u>
Governmental activities:	
General government	\$ 36,291
Public safety	231,772
Public works, including depreciation of infrastructure assets	279,965
Culture and recreation	<u>453,580</u>
	<u>\$1,001,608</u>
Business-type activities:	
Golf course	<u>\$97,286</u>

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

**NOTE D - LONG-TERM DEBT**

Long-term debt consists of the following:

	<u>November 30</u> <u>2005</u>
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>\$11,505,000</u>

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

<u>For The</u> <u>Years Ended</u> <u>November 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	545,000	368,406	913,406
2011 - 2015	3,135,000	1,461,600	4,596,600
2016 - 2020	2,960,000	691,000	3,651,000
2021 - 2022	<u>1,120,000</u>	<u>84,750</u>	<u>1,204,750</u>
Total	<u>\$11,505,000</u>	<u>4,410,831</u>	<u>15,915,831</u>

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

	<u>For The Year Ended November 30, 2005</u>			<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>	
	<u>Balance</u> <u>November 30</u>				<u>Balance</u> <u>November 30</u>
	<u>2004</u>	<u>Additions</u>	<u>Reductions</u>		<u>2005</u>
Certificates of participation	\$12,355,000	-	850,000	11,505,000	
Compensated absences	<u>767,993</u>	<u>662,373</u>	<u>631,232</u>	<u>799,134</u>	
	<u>\$13,122,993</u>	<u>662,373</u>	<u>1,481,232</u>	<u>12,304,134</u>	

The certificates of participation are to be liquidated by the Park Improvement and Capital Improvement Tax Funds. Also, compensated absences is 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 December 1, 2003 pursuant to which the City has agreed to transfer to the trustee for

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

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

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, 2005 was \$18,770,000.

**NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN**

*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, 2004, which is the date of the latest actuarial valuation available, was \$2,071,892 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:

<u>Group</u>	<u>November 30 2004</u>
Retirees and beneficiaries currently receiving benefits	10
Vested terminated employees and active employees	110

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.

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

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

*Funding Status and Progress*

<b>Pension Plan</b>			
<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>
2004	\$ 9,064,104	\$14,219,998	\$ 5,155,894
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

  

<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>
2004	63.7%	\$2,071,892	248.8%
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

**Schedule Of Employer Contributions**

<u>For The Years Ended November 30</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2004	\$ 704,684	\$ 530,517	75.3%
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

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:

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

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

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%

***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.

***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).

<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>
2004	\$ 696,133	76.2%	\$762,334	\$165,616
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

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

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

<u>Annual Pension Cost</u>				
<u>Valuation For The Actuarial Years Ended November 30</u>	<u>Annual Required Contribution</u>	<u>Interest On The Net Pension Obligation</u>	<u>Adjustment To The Annual Required Contribution</u>	<u>Annual Pension Cost</u>
2004	\$ 704,684	\$44,754	(\$53,305)	\$ 696,133
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

**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 for the year ended November 30, 2005.

There was no significant reductions in insurance coverage during the year ended November 30, 2005 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

**NOTE H - DEFICIT BALANCES**

The Sewer Lateral Fund and Community Development Fund, Special Revenue Funds, had a deficit fund balance at November 30, 2005 of \$60,196 and \$17,739, respectively. These fund deficits resulted from expenditures to be funded with future revenues.

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

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**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.

In July 2005 the City authorized \$1,900,000 of tax increment financing notes for the Shoppes at Koch Park redevelopment project. As of November 30, 2005, no amounts have been issued.

**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, 2005, amounted to \$189,261 for employees and \$949,704 for the City.

**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 future principal maturities of outstanding bonds at November 30, 2005 was \$18,770,000.



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

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**NOTE L - PRIOR PERIOD ADJUSTMENT**

The previously stated net assets/fund balances have been adjusted as follows:

	<u>Government Activities</u>	<u>Nonmajor Capital Projects Fund</u>
Net assets/fund balance, November 30, 2004, as previously reported	\$21,682,827	234,572
Restatement for:		
Capital assets	133,247	-
Accounts payable	<u>(22,680)</u>	<u>(22,680)</u>
Net Assets, November 30, 2004, As Restated	<u>\$21,793,394</u>	<u>211,892</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, 2005**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over</b>
	<b>Original</b>	<b>Final</b>		<b>(Under)</b>
				<b>Budget</b>
<b>REVENUES</b>				
<b>Taxes</b>				
Cigarette tax	\$ 175,000	175,000	182,214	7,214
Gasoline tax	1,750,000	1,750,000	1,736,305	(13,695)
Road and bridge tax	480,000	480,000	510,482	30,482
Sales tax	7,000,000	7,000,000	7,205,641	205,641
Utility tax	2,900,000	2,900,000	3,083,772	183,772
Total Taxes	<u>12,305,000</u>	<u>12,305,000</u>	<u>12,718,414</u>	<u>413,414</u>
<b>Licenses and Permits</b>				
Business licenses	630,000	630,000	688,150	58,150
Liquor license	30,000	30,000	34,863	4,863
Building permits	250,000	250,000	377,146	127,146
Minimum housing	100,000	100,000	216,095	116,095
Annual sign fee	20,000	20,000	21,159	1,159
Other permits - excavating	20,000	20,000	24,660	4,660
Total Licenses And Permits	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,362,073</u>	<u>312,073</u>
<b>Charges for Services</b>				
Skateboard park	-	-	1,290	1,290
Classes (except skate/swim)	60,000	60,000	57,811	(2,189)
Gym rental	15,000	15,000	13,770	(1,230)
Ice rink	50,000	50,000	71,876	21,876
Swimming pool - JJE	100,000	100,000	111,204	11,204
Swimming pool - Bangert	55,000	55,000	52,316	(2,684)
Swimming pool - Koch	150,000	150,000	158,607	8,607
Miscellaneous	80,000	80,000	312,560	232,560
Playground	34,000	34,000	62,282	28,282
Theatre	130,000	130,000	119,371	(10,629)
Concessions	125,000	125,000	102,394	(22,606)
Total Charges For Services	<u>799,000</u>	<u>799,000</u>	<u>1,063,481</u>	<u>264,481</u>
<b>Other</b>				
Other miscellaneous	150,000	150,000	373,065	223,065
Cable television	450,000	450,000	475,160	25,160
Senior citizen luncheons	16,000	16,000	22,271	6,271
Total Other	<u>616,000</u>	<u>616,000</u>	<u>870,496</u>	<u>254,496</u>
<b>Investment Income</b>	<u>400,000</u>	<u>400,000</u>	<u>332,389</u>	<u>(67,611)</u>
<b>Fines and Forfeitures</b>	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,598,982</u>	<u>298,982</u>
<b>Intergovernmental</b>	<u>100,000</u>	<u>100,000</u>	<u>113,170</u>	<u>13,170</u>
Total Revenues	<u>16,570,000</u>	<u>16,570,000</u>	<u>18,059,005</u>	<u>1,489,005</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, 2005**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>General Government</b>				
Legislative:				
Salaries	105,620	101,820	101,756	(64)
Employees' benefits	23,930	23,930	22,824	(1,106)
Dues, travel, and training	27,000	30,800	30,741	(59)
Total Legislative	156,550	156,550	155,321	(1,229)
Administrative:				
Salaries	893,600	893,600	856,733	(36,867)
Employees' benefits	318,620	318,620	293,764	(24,856)
Residency incentive program	144,000	144,000	137,350	(6,650)
Unemployment claims	20,000	20,000	10,024	(9,976)
City hall and litigation	22,000	22,000	16,928	(5,072)
Postage and printing	50,000	50,000	31,582	(18,418)
Office supplies/printing	41,500	41,500	38,171	(3,329)
Copy equipment rental/supplies	30,000	30,000	23,751	(6,249)
Mayor's expenditures	19,000	19,000	18,912	(88)
Dues, travel, and training	14,000	14,000	10,874	(3,126)
Professional services	258,000	463,000	447,519	(15,481)
Legal notices and advertising	18,500	18,500	11,040	(7,460)
Service awards	10,000	10,000	8,287	(1,713)
Insurance, fire, and liability	795,000	795,000	709,638	(85,362)
Organization dues	24,190	24,190	23,218	(972)
Boards and commissions	3,500	3,500	2,624	(876)
Election expenditure	20,000	20,000	18,593	(1,407)
Total Administrative	2,681,910	2,886,910	2,659,008	(227,902)
Senior services:				
Salaries	196,350	196,350	153,674	(42,676)
Employees' benefits	54,690	54,690	50,254	(4,436)
Uniforms and allowances	1,000	1,000	794	(206)
F.L.E.R.T.	10,000	16,000	13,947	(2,053)
Senior citizen buses	6,000	9,000	5,908	(3,092)
Building maintenance and supplies	7,500	7,500	5,221	(2,279)
Office supplies/printing	5,500	5,500	3,005	(2,495)
Dues, travel, and training	400	400	298	(102)
Senior citizen luncheons	22,500	22,500	22,372	(128)
Total Senior Services	303,940	312,940	255,473	(57,467)

(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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (Continued)</b>				
<b>General Government (Continued)</b>				
Media:				
Salaries	81,230	83,230	78,945	(4,285)
Employees' benefits	30,410	30,410	28,226	(2,184)
Equipment repairs	1,500	1,500	182	(1,318)
Office supplies/printing	2,000	2,000	1,497	(503)
Materials and supplies	2,500	2,500	1,816	(684)
Dues, travel, and training	1,200	1,200	919	(281)
Professional services	60,000	58,000	22,252	(35,748)
Organization dues	100	100	-	(100)
Total Media	<u>178,940</u>	<u>178,940</u>	<u>133,837</u>	<u>(45,103)</u>
Municipal court:				
Salaries	328,310	328,310	257,814	(70,496)
Employees' benefits	76,010	76,010	67,163	(8,847)
Office supplies/printing	4,000	4,500	4,147	(353)
Dues, travel, and training	4,000	3,500	1,486	(2,014)
Professional services	40,000	40,000	39,700	(300)
Total Municipal Court	<u>452,320</u>	<u>452,320</u>	<u>370,310</u>	<u>(82,010)</u>
Information technology:				
Salaries	37,470	37,470	36,428	(1,042)
Employees' benefits	13,720	13,720	13,453	(267)
Office supplies/printing	19,000	19,000	18,642	(358)
Materials and supplies	5,000	5,000	4,119	(881)
Dues, travel, and training	4,250	4,250	3,401	(849)
Professional services	6,600	6,600	6,334	(266)
Total Information Technology	<u>86,040</u>	<u>86,040</u>	<u>82,377</u>	<u>(3,663)</u>
Housing center:				
Salaries	45,550	45,550	42,828	(2,722)
Employees' benefits	16,940	16,940	14,788	(2,152)
Office supplies/printing	1,000	1,000	712	(288)
Dues, travel, and training	1,000	1,000	397	(603)
Total Housing Center	<u>64,490</u>	<u>64,490</u>	<u>58,725</u>	<u>(5,765)</u>
Total General Government	<u>3,924,190</u>	<u>4,138,190</u>	<u>3,715,051</u>	<u>(423,139)</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, 2005**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>Culture and Recreation</b>				
Community and civic center:				
Salaries	1,185,420	1,185,420	1,083,827	(101,593)
Employees' benefits	217,060	217,060	205,986	(11,074)
Total Community And Civic Center	<u>1,402,480</u>	<u>1,402,480</u>	<u>1,289,813</u>	<u>(112,667)</u>
Recreation - theatre:				
Salaries	174,790	174,790	166,549	(8,241)
Employees' benefits	49,640	49,640	43,360	(6,280)
Uniforms and allowances	250	250	180	(70)
Building maintenance and supplies	4,500	4,500	4,264	(236)
Office supplies/printing	6,000	6,000	5,767	(233)
Dues, travel, and training	3,000	3,000	2,998	(2)
Theatre workshop	52,950	55,593	54,912	(681)
Publicity	7,650	7,650	7,558	(92)
Total Recreation - Theatre	<u>298,780</u>	<u>301,423</u>	<u>285,588</u>	<u>(15,835)</u>
Recreation - playground:				
Salaries	134,920	134,920	115,782	(19,138)
Employees' benefits	10,320	10,320	8,858	(1,462)
Total Recreation - Playground	<u>145,240</u>	<u>145,240</u>	<u>124,640</u>	<u>(20,600)</u>
Recreation - Bangert:				
Salaries	172,130	172,130	123,607	(48,523)
Employees' benefits	13,170	13,170	9,463	(3,707)
Total Recreation - Bangert	<u>185,300</u>	<u>185,300</u>	<u>133,070</u>	<u>(52,230)</u>
Recreation - parks:				
Salaries	1,224,210	1,224,210	1,140,685	(83,525)
Employees' benefits	372,300	372,300	353,566	(18,734)
Total Recreation - Parks	<u>1,596,510</u>	<u>1,596,510</u>	<u>1,494,251</u>	<u>(102,259)</u>
Recreation - Koch Aquatic Center:				
Salaries	250,490	250,490	222,215	(28,275)
Employees' benefits	19,160	19,160	16,999	(2,161)
Total Recreation - Koch Aquatic Center	<u>269,650</u>	<u>269,650</u>	<u>239,214</u>	<u>(30,436)</u>
Total Culture And Recreation	<u>3,897,960</u>	<u>3,900,603</u>	<u>3,566,576</u>	<u>(334,027)</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, 2005**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>Public Safety</b>				
Police:				
Salaries	5,693,320	5,688,320	5,544,792	(143,528)
Employees' benefits	1,891,550	1,891,550	1,828,521	(63,029)
Uniforms and allowances	56,000	58,000	57,637	(363)
Telephone	79,500	79,500	79,304	(196)
Utilities	41,500	46,500	44,640	(1,860)
Gasoline	76,500	131,500	130,517	(983)
Building maintenance and supplies	42,300	42,300	38,687	(3,613)
Equipment repairs - vehicles	20,700	20,700	16,411	(4,289)
Office supplies/printing	28,800	28,800	27,366	(1,434)
Copy equipment - rental/supply	12,500	12,500	8,672	(3,828)
Communication service	208,000	206,000	203,782	(2,218)
Ammunition - armory supplies	5,500	5,500	5,500	-
Dues, travel, and training	42,300	42,300	37,671	(4,629)
Total Public Safety - Police	8,198,470	8,253,470	8,023,500	(229,970)
<b>Public Works and Health</b>				
Public works:				
Salaries	1,951,290	1,951,290	1,902,686	(48,604)
Employees' benefits	657,340	657,340	627,534	(29,806)
Uniforms and allowances	12,000	12,000	11,221	(779)
Utilities	71,000	86,000	74,036	(11,964)
Gasoline	30,000	32,000	29,892	(2,108)
Office supplies/printing	18,000	18,000	16,371	(1,629)
Ice/snow removal	87,500	87,500	44,242	(43,258)
Dues, travel, and training	54,450	54,450	50,723	(3,727)
Professional services	105,000	110,000	60,522	(49,478)
Street lighting	534,000	534,000	501,955	(32,045)
Gasoline control account	34,000	34,000	19,723	(14,277)
Total Public Works	3,554,580	3,576,580	3,338,905	(237,675)
Health:				
Salaries	374,170	374,170	367,391	(6,779)
Employees' benefits	104,510	104,510	102,149	(2,361)
Uniforms and allowances	3,000	3,000	1,911	(1,089)
Utilities	7,000	8,000	6,803	(1,197)
Gasoline	8,500	11,000	10,925	(75)
Building maintenance and supplies	7,000	7,000	6,568	(432)
Office supplies/printing	3,000	3,000	2,938	(62)
Materials and supplies	32,000	32,000	31,143	(857)
Dues, travel, and training	500	500	220	(280)
Professional services	34,000	41,500	31,969	(9,531)
Total Health	573,680	584,680	562,017	(22,663)
Total Public Works And Health	4,128,260	4,161,260	3,900,922	(260,338)
Total Expenditures	20,148,880	20,453,523	19,206,049	(1,247,474)

(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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (3,578,880)</u>	<u>(3,883,523)</u>	<u>(1,147,044)</u>	<u>2,736,479</u>
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			228,450	
Expenditure accrual adjustments			(194,668)	
Encumbrance adjustments			<u>207,446</u>	
			<u>241,228</u>	
<b>REVENUES UNDER EXPENDITURES - GAAP BASIS</b>			(905,816)	
FUND BALANCE, DECEMBER 1			<u>11,330,814</u>	
<b>FUND BALANCE, NOVEMBER 30</b>			<u>\$ 10,424,998</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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 3,000,000	3,000,000	3,059,549	59,549
Investment income	25,000	25,000	53,097	28,097
Intergovernmental	433,000	433,000	175,451	(257,549)
Total Revenues	<u>3,458,000</u>	<u>3,458,000</u>	<u>3,288,097</u>	<u>(169,903)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>2,695,600</u>	<u>2,809,115</u>	<u>2,369,578</u>	<u>(439,537)</u>
<b>REVENUES OVER EXPENDITURES</b>	762,400	648,885	918,519	269,634
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(777,000)</u>	<u>(777,000)</u>	<u>(766,157)</u>	<u>10,843</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (14,600)</u>	<u>(128,115)</u>	<u>152,362</u>	<u>280,477</u>
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			(144,558)	
Expenditure accrual adjustments			(405,107)	
Encumbrance adjustments			255,798	
			<u>(293,867)</u>	
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES - GAAP BASIS</b>			(141,505)	
FUND BALANCE, DECEMBER 1			<u>1,965,211</u>	
FUND BALANCE, NOVEMBER 30			<u>\$ 1,823,706</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, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,550,000	1,550,000	1,621,471	71,471
Investment income	5,000	5,000	22,407	17,407
Intergovernmental	-	-	46,724	46,724
Total Revenues	<u>1,555,000</u>	<u>1,555,000</u>	<u>1,690,602</u>	<u>135,602</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	977,740	1,295,965	1,123,673	(172,292)
<b>REVENUES OVER EXPENDITURES</b>	577,260	259,035	566,929	307,894
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(611,000)	(611,000)	(588,558)	22,442
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (33,740)</u>	<u>(351,965)</u>	<u>(21,629)</u>	<u>330,336</u>
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			(55,523)	
Expenditure accrual adjustments			(11,203)	
Encumbrance adjustments			<u>196,322</u>	
			<u>129,596</u>	
<b>REVENUES OVER EXPENDITURES AND OTHER FINANCING USES - GAAP BASIS</b>			107,967	
FUND BALANCE, DECEMBER 1			<u>674,264</u>	
FUND BALANCE, NOVEMBER 30			<u>\$ 782,231</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, 2005**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 890,000	890,000	921,849	31,849
Investment income	10,000	10,000	16,560	6,560
Miscellaneous	-	-	10,821	10,821
Total Revenues	<u>900,000</u>	<u>900,000</u>	<u>949,230</u>	<u>49,230</u>
<b>EXPENDITURES</b>				
Current:				
Public works	892,440	1,007,440	963,839	(43,601)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ 7,560</u>	<u>(107,440)</u>	<u>(14,609)</u>	<u>92,831</u>
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			48,590	
Expenditure accrual adjustments			519,276	
Encumbrance adjustments			27,733	
			<u>595,599</u>	
<b>REVENUES OVER EXPENDITURES - GAAP BASIS</b>			580,990	
<b>DEFICIT, DECEMBER 1</b>			<u>(641,186)</u>	
<b>DEFICIT, NOVEMBER 30</b>			<u>\$ (60,196)</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, 2005**

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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.

**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.

**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).

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**NOVEMBER 30, 2005**

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Community Development Fund</u>	<u>Home Equity Assurance Fund</u>	<u>Debt Service Fund</u>		
<b>ASSETS</b>					
Cash	\$ 17,819	123,606	-	-	141,425
Investments	-	-	-	77,540	77,540
Restricted assets:					
Investments	-	-	1,334,984	-	1,334,984
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 17,819</u>	<u>123,606</u>	<u>1,334,984</u>	<u>77,540</u>	<u>1,553,949</u>
 <b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 33,469	-	-	33,596	67,065
Accrued payroll	2,089	-	-	-	2,089
Total Liabilities	<u>35,558</u>	<u>          </u>	<u>          </u>	<u>33,596</u>	<u>69,154</u>
 <b>Fund Balances (Deficit)</b>					
Reserved for:					
Encumbrances	131,091	-	-	31,389	162,480
Debt service	-	-	1,334,984	-	1,334,984
Unreserved, reported in:					
Special Revenue Funds	(148,830)	123,606	-	-	(25,224)
Capital Projects Fund	-	-	-	12,555	12,555
Total Fund Balances	<u>(17,739)</u>	<u>123,606</u>	<u>1,334,984</u>	<u>43,944</u>	<u>1,484,795</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities And Fund Balances	<u>\$ 17,819</u>	<u>123,606</u>	<u>1,334,984</u>	<u>77,540</u>	<u>1,553,949</u>

**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, 2005**

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Community Development Fund</u>	<u>Home Equity Assurance Fund</u>	<u>Debt Service Fund</u>		
<b>REVENUES</b>					
Other	\$ -	50	-	-	50
Investment income	-	1,803	59,566	3,314	64,683
Intergovernmental	226,811	-	-	-	226,811
Total Revenues	<u>226,811</u>	<u>1,853</u>	<u>59,566</u>	<u>3,314</u>	<u>291,544</u>
<b>EXPENDITURES</b>					
Current:					
General government	268,148	-	-	-	268,148
Public works and health	-	-	-	171,262	171,262
Debt service	-	-	1,369,744	-	1,369,744
Total Expenditures	<u>268,148</u>	<u>-</u>	<u>1,369,744</u>	<u>171,262</u>	<u>1,809,154</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(41,337)	1,853	(1,310,178)	(167,948)	(1,517,610)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	-	1,340,002	-	1,340,002
<b>NET CHANGE IN FUND BALANCES</b>	(41,337)	1,853	29,824	(167,948)	(177,608)
FUND BALANCES, DECEMBER 1	<u>23,598</u>	<u>121,753</u>	<u>1,305,160</u>	<u>211,892</u>	<u>1,662,403</u>
<b>FUND BALANCES (DEFICIT), NOVEMBER 30</b>	<u>\$ (17,739)</u>	<u>123,606</u>	<u>1,334,984</u>	<u>43,944</u>	<u>1,484,795</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, 2005**

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
<b>REVENUES</b>			
Other	\$ -	50	50
Investment income	1,000	1,803	803
Total Revenues	1,000	1,853	853
 <b>EXPENDITURES</b>			
Current:			
General government	1,000	-	(1,000)
 <b>REVENUES OVER EXPENDITURES</b>	\$ -	1,853	1,853
 <b>FUND BALANCE, DECEMBER 1</b>		121,753	
 <b>FUND BALANCE, NOVEMBER 30</b>		\$ 123,606	

**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, 2005**

<b>OPERATING REVENUES</b>	<u>\$ 852,434</u>
<b>OPERATING EXPENSES</b>	
Salaries	411,301
Employees benefits	100,579
Residency incentive program	3,350
Unemployment claims	9,702
Uniforms and allowances	1,328
Postage and printing	846
Telephone	3,964
Utilities	60,117
Gasoline	13,089
Merchandise	122,808
Building, maintenance, and supplies	46,882
Equipment repairs	32,360
Chemicals	34,911
Office supplies/printing	2,100
Dues, travel, and training	5,671
Professional services	84,734
Publicity	8,244
Insurance	35,000
Depreciation and amortization	97,286
Total Operating Expenses	<u>1,074,272</u>
 <b>OPERATING LOSS</b>	 (221,838)
<b>NONOPERATING EXPENSES</b>	
Interest and fiscal charges	<u>(8,046)</u>
 <b>LOSS BEFORE TRANSFERS</b>	 (229,884)
<b>TRANSFERS IN</b>	<u>14,713</u>
 <b>CHANGE IN NET ASSETS</b>	 <u>\$ (215,171)</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, 2005**

	Balance November 30 2004	Additions	Reductions	Balance November 30 2005
<b>ASSETS</b>				
Cash	\$ 969,807	42,033	-	1,011,840
Investments	50,000	100,000	-	150,000
Total Assets	<u>\$ 1,019,807</u>	<u>142,033</u>	<u>-</u>	<u>1,161,840</u>
<b>LIABILITIES</b>				
Due to others:				
Court bonds	\$ 580,900	125,291	-	706,191
Construction deposits	61,293	-	796	60,497
Other deposits	269,103	-	7,792	261,311
	911,296	125,291	8,588	1,027,999
Due to other funds	108,511	25,330	-	133,841
Total Liabilities	<u>\$ 1,019,807</u>	<u>150,621</u>	<u>8,588</u>	<u>1,161,840</u>

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2005**

<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	BRM-4900(615)	\$ 43,660
Highway Planning and Construction	20.205	STP-5521(603)	16,539
Highway Planning and Construction	20.205	STP-5595(610)	<u>6,765</u>
			66,964
Missouri Department of Public Safety:			
Highway Safety	20.600	05-PT-02-118	7,941
Highway Safety	20.600	05-J7-03-79	<u>6,573</u>
			81,478
<b>U.S. Department of Housing and Urban Development:</b>			
Community Development Block Grant	14.218	-	226,811
<b>U.S. Department of Justice:</b>			
Bulletproof Vest Program	16.607	-	2,876
<b>U.S. Department of Homeland Security:</b>			
Missouri Emergency Management Agency:			
Emergency Management Performance Grant	97.042	-	<u>25,609</u>
Total Awards Expended			<u>\$336,774</u>