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**CITY OF FLORISSANT,  
MISSOURI**

**FINANCIAL REPORT**  
(Audited)

Year Ended November 30, 2010

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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**

March 11, 2011

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of November 30, 2010, and the respective changes in financial position thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

- ☐ 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- ☐ 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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In accordance with *Government Auditing Standards*, we have also issued a report dated March 11, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 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, 2010

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The City of Florissant, Missouri (the City) presents this narrative to help our readers review the accompanying annual financial statements for the year ended November 30, 2010. We have prepared the management's discussion and analysis (MD&A) of the City's financial activities to add additional information to the financial schedules and the note disclosures. This is the eighth year of reporting in conformance with the guidelines prescribed in the Governmental Accounting Standards Board Statement No. 34 (GASB 34) which established comprehensive new reporting requirements and the second year for implementation of GASB 45 which established valuation reporting requirements for post employment benefits.

#### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$70,254,975 (net assets). Of this amount, \$7,944,013 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- Fund balances, a measure of current financial resources not otherwise budgeted or encumbered, in the governmental funds increased \$3,631,375 to a total of \$14,096,707. \$11,543,452 is unreserved and available for future programs.
- The General Fund unreserved fund balance is \$9,030,706 or 39.7% of the final adopted budget appropriations, the Capital Improvements Fund unreserved fund balance is \$748,800 or 15.9% of the final adopted budget appropriations which includes transfers out for debt service payments, and the Park Improvement Fund unreserved fund balance is \$20,124 or 0.5% of the final adopted budget appropriations which includes transfers out for debt service payments.
- The City's total debt for the 2002 Certificates of Participation decreased \$545,000 during the current fiscal year leaving a principal balance of \$7,215,000 outstanding.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A 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 financial statements. This report also contains other supplementary information, the budgetary comparisons, to provide additional information that our readers can use to analyze the City's 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.

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.

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, public works, and health.

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.

**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

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**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.** 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 within 60 days 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:

**Major Funds**

- ✓ General
- ✓ Capital Improvements
- ✓ Park Improvement
- ✓ Sewer Lateral
- ✓ Neighborhood Stabilization Program

**Nonmajor Funds**

- ✓ Community Development
- ✓ Home Equity Assurance
- ✓ Koch TIF
- ✓ Debt Service

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 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.

**Fiduciary funds.** 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 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.

**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

**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 activities as of November 30, 2010 and 2009 (dollars in thousands):

	<b>November 30</b>	
	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
Current and other assets	\$16,730	13,317
Capital assets, net	<u>65,230</u>	<u>66,569</u>
Total Assets	<u>81,960</u>	<u>79,886</u>
<b>LIABILITIES</b>		
Long-term debt outstanding	10,033	10,810
Other liabilities	<u>1,672</u>	<u>1,720</u>
Total Liabilities	<u>11,705</u>	<u>12,530</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	57,691	58,613
Restricted	4,620	4,232
Unrestricted	<u>7,944</u>	<u>4,511</u>
Total Net Assets	<u>\$70,255</u>	<u>67,356</u>

Total assets increased by \$2,074,000 while total liabilities decreased by \$825,000. The net result is an increase in total net assets of \$2,899,000.

Included under assets and listed as a receivable is the remaining balance of \$745,332 due from the Department of Revenue settlement. This represents the remaining twenty-two monthly payments of \$33,878.71 each due from the Missouri Department of Revenue. This is the result of an agreement between the City and the Department of Revenue to correct the department's failure to properly and timely implement the population changes resulting from a series of annexations dating back to 2002. Further information on this is contained in the "Highlights From 2010 and the Outlook for the Future."

Also listed under assets is an item titled due from fiduciary fund in the amount of \$737,300. This is much higher than would normally be expected. Included in this amount is \$462,759 which was paid in protest by the T-Mobile cellular telephone service provider and has been held in trust by the City. A settlement has been reached with T-Mobile and the funds were paid out in January 2010.

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 activities for the years ended November 30, 2010 and 2009 (dollars in thousands):

**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

	<b>For The Years</b>	
	<b>Ended November 30</b>	
	<b>2010</b>	<b>2009</b>
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 6,860	5,109
Operating grants and contributions	3,811	3,008
Capital grants and contributions	418	2,162
General revenues:		
Sales tax	12,812	13,236
Utility tax	6,460	4,777
Investment income	107	195
Licenses and permits	787	774
Other general revenues	<u>1,999</u>	<u>1,173</u>
Total Revenues	<u>33,254</u>	<u>30,434</u>
<b>PROGRAM EXPENSES</b>		
General government	5,354	4,263
Culture and recreation	6,203	6,737
Public safety	9,986	9,705
Public works and health	8,310	8,488
Interest on long-term debt	<u>502</u>	<u>549</u>
Total Program Expenses	<u>30,355</u>	<u>29,742</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 2,899</u>	<u>692</u>

Total revenues increased \$2,820,000. Charges for services increased \$1,751,000, capital grants and contributions decreased \$1,744,000, sales tax decreased \$424,000 due to the continued weakness in consumer spending, utility tax receipts increased \$1,683,000 due to an increase in the underlying rate from 5% to 7%, and investment income decreased \$88,000 due to historically low interest rates.

Program expenses increased \$613,000 with general government increasing \$1,091,000 due to expenditures related to several large grant projects and public safety increasing \$281,000.

#### **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 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 - governmental funds. Total governmental fund balances increased \$3,631,375. The General Fund balance increased \$3,239,630, the Capital Improvement Fund balance increased \$130,376, the Park Improvement Fund balance decreased \$233,391, and the Sewer Lateral Fund balance increased \$543,870.

The General Fund unreserved fund balance increased by \$3,220,081. This is a marked improvement from 2009 when the General Fund unreserved fund balance decreased by \$2,542,075. Included in the fund balance are \$462,459 from the



**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

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T-Mobile settlement and \$745,332 from the Department of Revenue settlement which have been recognized in the audited financial statement. The T-Mobile settlement was received in January 2011 and the DOR settlement will be paid out in 24 monthly installments starting in October 2010. In addition, General Fund revenue exceeded expenditures by \$2,350,962 on a budget basis.

Other governmental funds include the Community Development, Home Equity Assurance, Koch TIF, and Debt Service Fund. 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.

## **BUDGETARY HIGHLIGHTS**

This financial report includes information about both the original budget and the final budget as amended through the course of the year. This information is detailed in the required supplemental information section. Generally, budgets are amended to add projects, programs, commodities, and services that were not anticipated when the budget was first adopted.

Over the course of the year, the City Council will revise the adopted budget as needed. These revisions fall into three general categories:

- Transfers between departmental accounts.
- Appropriations from reserve balances to prevent budget overruns and to fund various projects, programs, commodities, and services as they are identified as necessary.
- 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.

Total general fund revenue exceeded the budget estimate by \$1,022,259 or 4.6%. Gasoline tax exceeded the budget goal by \$157,886 which reflects the efforts to force the Missouri Department of Revenue to implement the City's new population numbers to reflect a number of annexations. Sales tax continues a multi-year slide and missed the budget goal by \$194,257. The utility tax was short of the budget goal by \$220,931 due to revenues being budgeted for twelve months at 7% when the tax was actually received for two months at 5% and ten months at 7%.

Other miscellaneous revenue exceeded the budget goal by \$192,327 due to the AT&T landline telephone settlement of \$627,471 which was budgeted at \$500,000. Cable television exceeded the budget goal by \$50,612 due to AT&T's entry into the cable television market gaining momentum. Investment income continued to decline due to extremely low interest rates and missed the budget goal by \$97,569. Fines and forfeitures exceeded the budget goal by \$1,340,340. Inter-governmental revenue missed the budget goal by \$197,462 due to the delay and elimination of anticipated grants.

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

- \$500,300 - Energy efficiency retrofit of City buildings - 32.5% grant
- \$452,200 - Solar panel roof system for the ice rink - 100% grant
- \$372,000 - Renovation of Bangert Pool - 100% grant
- \$276,200 - Police forfeiture funds for various capital purchases
- \$200,000 - Red light camera expense
- \$ 59,002 - Nature Lodge basement finishing
- \$ 50,000 - Masonry repairs at the James J. Eagan Civic Center

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**FOR THE YEAR ENDED NOVEMBER 30, 2010**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The City invests substantial resources in capital assets that support the services provided to the public. Except for the tax increment revenue bonds, all of the City's scheduled long-term debt has been used to acquire or construct capital assets.

**Capital assets.** The following table summarizes the capital assets, net of depreciation, for the governmental activities as of November 30, 2010 and 2009 (dollars in thousands):

	<b>November 30</b>	
	<b>2010</b>	<b>2009</b>
Land	\$ 4,576	4,576
Construction in progress	329	349
Buildings	5,113	5,418
Improvements	8,428	8,404
Land improvements	174	189
Infrastructure	43,362	44,571
Vehicles and equipment	<u>3,248</u>	<u>3,062</u>
Total	<u>\$65,230</u>	<u>66,569</u>

Total capital assets decreased \$1,339,000. Construction-in progress of \$329,000 represents the on-going street and bridge construction. Additional information can be found in Note C of the financial statements.

**Long-term debt.** The following table summarizes the City's scheduled long-term outstanding debt for the governmental activities as of November 30, 2010 and 2009 (dollars in thousands):

	<b>November 30</b>	
	<b>2010</b>	<b>2009</b>
Certificates of participation	\$7,215	7,760
Tax increment revenue bonds	1,590	1,950
Capital lease payable	<u>324</u>	<u>196</u>
Total	<u>\$9,129</u>	<u>\$9,906</u>

The City has \$7,215,000 in bonds outstanding from the Series 2002 Certificates of Participation bonds issued to renovate the James J. Eagan and John F. Kennedy community centers and Bangert Pool and to refinance the purchase of the municipal golf course. The principal balance on this debt decreased \$545,000 from last year. The Certificates of Participation are scheduled to be paid off in the year 2022.

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 of \$844,820 for compensated absences which represents the value of employee leave balances. Additional information can be found in Note D of the financial statements.

**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

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**HIGHLIGHTS FROM 2010 AND THE OUTLOOK FOR THE FUTURE**

The City continues to deal with a sluggish economy. Sales tax, the City's primary revenue source, has been dramatically impacted by the economic decline with an overall drop of 10% from the 2007 and 2008 levels.

In 2008 the Director of Finance determined that the Missouri Department of Revenue had not properly adjusted the City's population for four annexations beginning in 2002. After numerous e-mails, phone calls, meetings, calls to the Governor, and the filing of a law suit, in August 2010 DOR finally agreed to reimburse the City for the underpayment of the motor fuel tax, motor vehicle sales tax and motor vehicle fee increases in the amount of \$813,089.01. This amount is to be paid back in twenty-four equal payments of \$33,878.71 beginning in October, 2010. Characteristically, DOR missed the initial October distribution but did make two payments in November, 2010 to begin the reimbursement. The City agreed to waive its claim on unpaid cigarette tax monies estimated at \$46,539.

On December 15, 2009, in response to a petition submitted by a group of citizens, a representative from Missouri State Auditor Susan Mentee's office arrived to begin field work on a petition audit. A petition audit is a performance audit and not a financial audit. The City's 2009 financial audit was conducted simultaneously with the state audit. Anywhere from one to three field auditors from the State Auditor's office were present at the City through the middle of March, 2010. The petition audit was a comprehensive review of all aspects of City government, including cash handling, purchasing procedures, budgeting practices, accounting procedures, sale of property, minutes of meetings, use of resources, and compliance with various policies, procedures, rules, regulations, and statutes. In conjunction with the petition audit the State Auditor's office also conducted an audit of the City's Municipal Court.

Findings from the petition audit included the following:

- **Expenditures:** The State Auditor questioned some discretionary expenditures of the Mayor from his expense account, the need to obtain proposals for professional services such as engineering or legal services and adequately documenting the reasons for rejecting a bid for hardware supplies.

Under the City's strong Mayor form of government the Mayor has broad leeway in making discretionary decisions, particularly as it concerns his expense account. All expenditures made from the Mayor's expense account were made in the best interest of the City as determined by the Mayor using his discretionary authority. The City charter specifically states that bids are not required for professional services. The City will seek bids for professional services as is reasonable but the City is not required to do so for all professional services. The bid for hardware supplies was awarded to the lowest and best bidder which was in the best interest of the City.

- **Rental Fees:** The State Auditor questioned the Mayor's authority to waive various facility rental fees and charges.

The City code and charter was silent on the issue of the Mayor's ability to waive various fees. As such, the Mayor exercised his discretion to waive various fees and charges as he felt was in the best interest of the City. In response to this note the Mayor will no longer waive any fees or charges.

- **Council Meetings:** The State Auditor indicated that the minutes of certain closed meetings were not sufficient to demonstrate compliance with various requirements of the Sunshine Law.

The minutes of the meetings in question were compiled under the guidance of the City Attorney and specifically crafted to meet the requirements of the Sunshine Law. The City will continue to follow the City Attorney's guidance in this matter.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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- **Vehicle Records and Monitoring:** The State Auditor indicated that certain records and monitoring procedures for City vehicles were not sufficient. In addition, the State Auditor indicated that the City had not been properly reporting the value of the Mayor's City vehicle to the IRS for tax purposes.

The City has tightened up record keeping and monitoring of all City vehicles. The City issued corrected W-2's to the Mayor for the past three years and will report the value of his vehicle to the IRS in the future.

- **Payroll:** The State Auditor indicated that in her opinion the City was not in compliance with certain provisions of the Fair Labor Standards Act of 1938 as it relates to overtime and compensatory time for nonexempt employees. As such, the City had paid out overtime compensation where it was not legally required to do so. In addition, the State Auditor pointed out that accumulated vacation balances had been carried forward without the Mayor's written permission.

The City has a long established practice of paying overtime and compensatory time to certain employees. The City will review policies and procedures for paying overtime, compensatory time and the City's basic pay structure before making any changes in these long-standing practices. Issues related to monitoring accumulated vacation balances have been tightened up.

- **Police Department Controls and Procedures:** The State Auditor indicated that the police department needs to do a better job reconciling receipt slips for bond payments to police bond logs.

This was a minor administrative detail and has been corrected.

Findings from the municipal court audit included the following:

- **Bond Procedures:** The State Auditor felt that the municipal court did not adequately follow-up on cash bonds.

In the Judge's opinion the court was accurately following state law and keeping track of cash bonds. There were no bonds missing or unaccounted for.

- **Municipal Divisions Receipts:** The State Auditor noted that improvements in receipting controls and procedures were needed.

A problem was identified with the court software that caused receipts numbers to be skipped in the numerical sequence. This issue has been addressed.

On August 10, 2010 State Auditor Susan Montee presented the results of the petition audit at a Public Hearing held in the City Hall Council Chambers. The audit cost the City \$24,000. Taxpayers statewide picked up the remaining cost estimated at \$26,000. A complete copy of the audit report is available on the State Auditors web site.

In 2008 the stock market collapsed and the economy in general suffered along with the market. The value of assets in the City's defined benefit pension plan were dramatically affected by the collapse in the equity markets as the actuarial value of plan assets went from \$12,140,887 in 2007 to \$7,779,850 in 2008, a drop of 35.9%. The Actuarial Accrued Liability (AAL) decreased slightly from \$14,511,122 to \$14,229,854 leading directly to an increase in the Unfunded Actuarial Accrued Liability (UAAL) of \$4,079,769. This reversed a trend which had seen a declining UAAL and an increase in the funded ratio.

The suggested annual contribution as calculated by the plan actuary went from \$364,775 in 2008 to \$1,597,209 in 2009, a 337.9% increase. The actuarial calculations attempt to dampen market fluctuations but this market adjustment was just too massive and lead directly to the large increase in the annual required contribution. The City, as a governmental plan

**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

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sponsor, is not required to fund the plan subject to any minimum or maximum level. However, the City is ultimately responsible for paying benefits as they become due. The City understands its obligation to plan participants and will make every effort to fund the plan to a reasonable level as City resources allow.

Plan assets have since rebounded. The actuarial value of assets increased to \$9,845,789 in 2009. Additional information on the defined benefit pension plan can be found in Note E in the Financial Statements.

While the economic downturn has slowed development nationwide, the City continues to actively pursue redevelopment opportunities and currently has a number of active projects which will improve the economic situation and quality for City residents. Projects include:

- The Rolwes Company has broken ground to build 18 detached villas on a site across from Koch Park on Charbonier Road to be known as "Parkside Estates." Development costs are estimated at \$4,500,000.
- The 54<sup>th</sup> Street Grill restaurant on Lindbergh has opened for business. Development costs are estimated at \$3,000,000.
- Life Care Centers of America, located in Cleveland, Tennessee, has completed Phase I in their development of a senior living community called "Garden Plaza of Florissant." When complete, this development will be a state of the art senior community with multiple levels of housing and care. Development costs are estimated at \$56,000,000.
- Hokkaido Steak and Sushi Buffet, a Japanese restaurant, has opened for business in the Florissant Meadows Shopping Center. Development costs are estimated at \$1,000,000.
- Wal-Mart has approached the City and is actively working to put in a retail store at a site known as the Zykan property on the eastern limits of the City. Development costs are estimated at \$25,000,000 with annual sales estimated to be \$130,000,000.
- QuikTrip is building a new fuel and retail center on the corner of N. Hwy 67 and Thunderbird Drive. This location will replace their site currently located in the 8400 block of N. Hwy 67.
- Christian Hospital Northwest has completed the construction of additional medical facilities at their location on Graham Road. Development costs are estimated at \$10,000,000.
- Fifth Third Bank is actively exploring the possibility of putting in a facility near the intersection of N. Lindberg and Charbonier/Washington. Development costs are estimated at \$3,000,000.

The 2010 official U.S. Census results for the State of Missouri have been released and show that the state's population increased from 5,595,211 in 2000 to 5,988,927 in 2010, an increase of 393,716 or 7.0%. St. Louis County's population has dropped from 1,016,315 in 2000 to 998,954 in 2010, a drop of 17,361 or 1.7%. The City's population grew from 50,497 in 2000 to 52,158 in 2010, an increase of 1,661 or 3.3%.

Unfortunately, the raw numbers do not tell the whole story. The City was successful in securing a number of annexations subsequent to the 2000 census which, when including the most recent Paddock Estates annexation, increased the City's population to 54,536. When using this as the City's population figure the City's population went from 54,536 to 52,158, a drop of 2,378 or 4.7%.

A number of the City's revenue sources are based on the City's population as part of a larger pooled population. These include the cigarette tax, motor vehicle fuel tax, motor vehicle sales tax, motor vehicle fee increase, the 1% general sales tax, and the ½% capital improvement sales tax. These six revenue sources represent 41% of the 2011 adopted revenue budget for the general fund and capital improvement sales tax fund combined.

The cigarette tax, general sales tax and the capital improvement sales tax are distributed from countywide pools. The motor vehicle fuel tax, motor vehicle sales tax, and the motor vehicle fee increases are distributed from a pool of cities covering the entire state. Current estimates indicate that the adjustments in the City and pool populations could reduce revenue for the 2012 fiscal year by approximately \$500,000 in the general fund and \$150,000 in the capital improvement fund.

**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

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In April 2011 the City will elect a new Mayor from among six candidates. The current Mayor, Robert G. Lowery, Sr., has decided not to seek another term. Mayor Lowery has served the City in some capacity for fifty years with the last ten as Mayor. Prior to his election as Mayor, Mayor Lowery served the City as Chief of Police for twenty-three years. Mayor Lowery's dedication to the City, his experience and knowledge of the City's history and people, his standing throughout the metropolitan area and the State of Missouri, and his commitment to keeping the City a safe and vibrant place to live and work will be sorely missed.

**REQUESTS FOR INFORMATION**

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, 2010

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Industrial Development Authority</u>
<b>ASSETS</b>		
Cash	\$ 5,215,930	60,445
Investments	3,148,263	-
Prepaid items	94,512	-
Receivables:		
Taxes	3,644,448	346,071
Interest	4,456	-
Intergovernmental	317,586	-
Court	459,865	-
Golf	82,457	-
Department of Revenue settlement	745,332	-
Due from Fiduciary Fund	737,300	-
Inventories	4,462	-
Restricted assets:		
Investments	1,631,071	1,297,420
Bond issue costs	89,791	480,764
Net pension asset	554,663	-
Capital assets:		
Land and construction in progress	4,905,230	-
Other capital assets, net of accumulated depreciation	60,325,084	-
Total Assets	<u>81,960,450</u>	<u>2,184,700</u>
<b>LIABILITIES</b>		
Accounts payable	610,192	5,746
Accrued interest payable	143,048	69,518
Accrued payroll	918,918	-
Noncurrent liabilities:		
Due within one year	1,763,060	650,000
Due in more than one year	8,211,024	15,090,000
Due in more than one year - net OPEB obligation	59,233	-
Total Liabilities	<u>11,705,475</u>	<u>15,815,264</u>
<b>NET ASSETS (DEFICIENCY)</b>		
Invested in capital assets, net of related debt	57,691,050	-
Restricted:		
Debt service	1,683,968	1,297,420
Capital projects	1,319,044	-
Sewer lateral	1,616,900	-
Unrestricted (deficit)	<u>7,944,013</u>	<u>(14,927,984)</u>
Total Net Assets (Deficiency)	<u>\$ 70,254,975</u>	<u>(13,630,564)</u>

See notes to financial statements

## CITY OF FLORISSANT, MISSOURI

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED NOVEMBER 30, 2010

					Net Revenues (Expenses) And Changes In Net Assets	
		Program Revenues			Primary Government	Component Unit
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Industrial Development Authority
FUNCTIONS/PROGRAMS	Expenses					
<b>Primary Government</b>						
<b>Governmental Activities</b>						
General government	\$ 5,353,972	-	1,016,033	-	(4,337,939)	-
Culture and recreation	6,203,471	1,735,235	-	418,079	(4,050,157)	-
Public safety	9,985,804	3,592,754	322,291	-	(6,070,759)	-
Public works and health	8,309,626	1,532,291	2,472,595	-	(4,304,740)	-
Interest on long-term debt	502,182	-	-	-	(502,182)	-
Total Governmental Activities	<u>\$ 30,355,055</u>	<u>6,860,280</u>	<u>3,810,919</u>	<u>418,079</u>	<u>(19,265,777)</u>	<u>-</u>
<b>Component Unit</b>						
Industrial Development Authority	<u>\$ 922,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(922,550)</u>
<b>General Revenues</b>						
Taxes:						
Sales					12,811,572	1,271,588
Utility					6,459,490	3,044
Property					129,966	409,401
Other					156,091	-
Gain on sale of capital assets					2,016	-
Investment income					107,275	46,307
Licenses and permits					787,172	-
Other					897,890	-
Department of Revenue settlement					813,089	-
Total General Revenues					<u>22,164,561</u>	<u>1,730,340</u>
<b>CHANGES IN NET ASSETS</b>					2,898,784	807,790
NET ASSETS, DECEMBER 1					<u>67,356,191</u>	<u>(14,438,354)</u>
NET ASSETS, NOVEMBER 30					<u>\$ 70,254,975</u>	<u>(13,630,564)</u>

See notes to financial statements



**CITY OF FLORISSANT, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**NOVEMBER 30, 2010**

	General Fund	Capital Improvements Fund	Park Improvement Fund	Sewer Lateral Fund	Neighborhood Stabilization Program Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash	\$ 4,654,054	67,617	50,107	403,636	-	40,516	5,215,930
Investments	1,538,188	500,000	-	1,010,075	-	100,000	3,148,263
Prepaid items	94,512	-	-	-	-	-	94,512
Receivables:							
Taxes	2,386,792	517,442	480,828	206,489	-	52,897	3,644,448
Interest	2,922	623	-	835	-	76	4,456
Intergovernmental	94,659	-	-	-	212,325	10,602	317,586
Court	459,865	-	-	-	-	-	459,865
Golf	82,457	-	-	-	-	-	82,457
Department of Revenue settlement	745,332	-	-	-	-	-	745,332
Restricted assets:							
Investments	-	-	-	-	-	1,631,071	1,631,071
Inventories	4,462	-	-	-	-	-	4,462
Due from other funds	776,032	-	3,187	-	-	-	779,219
Total Assets	<u>\$ 10,839,275</u>	<u>1,085,682</u>	<u>534,122</u>	<u>1,621,035</u>	<u>212,325</u>	<u>1,835,162</u>	<u>16,127,601</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 196,039	153,467	47,526	835	212,325	-	610,192
Accrued payroll	837,418	-	74,936	-	-	6,564	918,918
Deferred revenue	459,865	-	-	-	-	-	459,865
Due to other funds	3,187	24,831	-	3,300	-	10,601	41,919
Total Liabilities	<u>1,496,509</u>	<u>178,298</u>	<u>122,462</u>	<u>4,135</u>	<u>212,325</u>	<u>17,165</u>	<u>2,030,894</u>
<b>Fund Balances</b>							
Reserved for:							
Encumbrances	213,086	158,584	391,536	7,107	-	-	770,313
Debt service	-	-	-	-	-	1,683,968	1,683,968
Prepaid items	94,512	-	-	-	-	-	94,512
Inventories	4,462	-	-	-	-	-	4,462
Unreserved, reported in:							
General Fund	9,030,706	-	-	-	-	-	9,030,706
Special Revenue Funds	-	748,800	20,124	1,609,793	-	134,029	2,512,746
Total Fund Balances	<u>9,342,766</u>	<u>907,384</u>	<u>411,660</u>	<u>1,616,900</u>	<u>-</u>	<u>1,817,997</u>	<u>14,096,707</u>
Total Liabilities And Fund Balances	<u>\$ 10,839,275</u>	<u>1,085,682</u>	<u>534,122</u>	<u>1,621,035</u>	<u>212,325</u>	<u>1,835,162</u>	<u>16,127,601</u>

See notes to financial statements

**CITY OF FLORISSANT, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERN-**  
**MENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**NOVEMBER 30, 2010**

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Total Fund Balances - Governmental Funds \$ 14,096,707

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$125,360,752 and the accumulated depreciation is \$60,130,438. 65,230,314

Municipal court receivables are assessed by the City, but are not collected as of November 30, 2010 and deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements. 459,865

The net pension asset is not a financial resource and, therefore, is not reported in the governmental funds. 554,663

The net OPEB obligation is not a financial resource and, therefore, is not reported in the governmental funds. (59,233)

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	(143,048)
Certificates of participation	(7,215,000)
Tax increment revenue bonds	(1,590,000)
Unamortized bond issuance cost	89,791
Capital lease payable	(324,264)
Compensated absences	(844,820)

Total Net Assets Of Governmental Activities \$ 70,254,975

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

	General Fund	Capital Improvements Fund	Park Improvement Fund	Sewer Lateral Fund	Neighborhood Stabilization Program Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 15,653,784	3,086,719	2,791,319	1,028,866	-	438,305	22,998,993
Licenses and permits	1,290,617	-	-	-	-	-	1,290,617
Charges for services	1,732,100	-	-	-	-	-	1,732,100
Other	1,130,942	-	-	-	-	30	1,130,972
Department of Revenue settlement	813,089	-	-	-	-	-	813,089
Investment income	28,478	3,859	3,260	14,476	-	57,202	107,275
Fines and forfeitures	3,270,692	-	-	-	-	-	3,270,692
Intergovernmental	381,178	700	418,079	-	804,104	211,929	1,815,990
Total Revenues	<u>24,300,880</u>	<u>3,091,278</u>	<u>3,212,658</u>	<u>1,043,342</u>	<u>804,104</u>	<u>707,466</u>	<u>33,159,728</u>
<b>EXPENDITURES</b>							
Current:							
General government	3,919,149	-	-	-	804,104	211,124	4,934,377
Culture and recreation	3,110,983	-	2,257,087	-	-	-	5,368,070
Public safety	9,831,444	-	-	-	-	-	9,831,444
Public works and health	4,113,144	-	-	372,675	-	-	4,485,819
Capital outlay	202,746	2,667,735	625,419	126,797	-	-	3,622,697
Debt service:							
Principal	241,974	-	-	-	-	905,000	1,146,974
Interest	12,525	-	-	-	-	497,162	509,687
Total Expenditures	<u>21,431,965</u>	<u>2,667,735</u>	<u>2,882,506</u>	<u>499,472</u>	<u>804,104</u>	<u>1,613,286</u>	<u>29,899,068</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,868,915</u>	<u>423,543</u>	<u>330,152</u>	<u>543,870</u>	<u>-</u>	<u>(905,820)</u>	<u>3,260,660</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of capital lease	370,715	-	-	-	-	-	370,715
Transfers in	-	-	-	-	-	856,710	856,710
Transfers out	-	(293,167)	(563,543)	-	-	-	(856,710)
Total Other Financing Sources (Uses)	<u>370,715</u>	<u>(293,167)</u>	<u>(563,543)</u>	<u>-</u>	<u>-</u>	<u>856,710</u>	<u>370,715</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>3,239,630</u>	<u>130,376</u>	<u>(233,391)</u>	<u>543,870</u>	<u>-</u>	<u>(49,110)</u>	<u>3,631,375</u>
<b>FUND BALANCES, DECEMBER 1</b>	<u>6,103,136</u>	<u>777,008</u>	<u>645,051</u>	<u>1,073,030</u>	<u>-</u>	<u>1,867,107</u>	<u>10,465,332</u>
<b>FUND BALANCES, NOVEMBER 30</b>	<u>\$ 9,342,766</u>	<u>907,384</u>	<u>411,660</u>	<u>1,616,900</u>	<u>-</u>	<u>1,817,997</u>	<u>14,096,707</u>

See notes to financial statements

**CITY OF FLORISSANT, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

Net Change In Fund Balances - Governmental Funds	\$ 3,631,375
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the 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 (\$4,407,457) exceeded capital outlays over the capitalization threshold totaling \$3,421,666 in the current period.	(985,791)
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The net effect of contributed assets and various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	
Cost of disposals, net of accumulated depreciation	(352,853)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	100,460
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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 the governmental funds.	
Decrease in net pension asset	(337,438)
Decrease in accrued interest payable	<div style="display: flex; justify-content: space-between;"> <span>12,660</span> <span>(324,778)</span> </div>

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources of the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, the governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Issuance of capital lease	(370,715)
Decrease in compensated absences	59,267
Amortization of issuance costs	(5,155)
Repayments:	
Certificates of participation	545,000
Tax increment revenue bonds	360,000
Capital lease payable	<div style="display: flex; justify-content: space-between;"> <span>241,974</span> <span>1,146,974</span> </div>

Change In Net Assets Of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 2,898,784</div>
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**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
**NOVEMBER 30, 2010**

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	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash	\$ -	1,730,328
Investments	10,618,328	300,000
Total Assets	<u>10,618,328</u>	<u>2,030,328</u>
<b>LIABILITIES</b>		
Due to others:		
Court bonds	-	792,356
Construction deposits	-	156,138
Other deposits	-	344,534
	<u>-</u>	<u>1,293,028</u>
Due to other funds	-	737,300
Total Liabilities	<u>-</u>	<u>2,030,328</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits	<u>\$ 10,618,328</u>	<u>-</u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -**  
**PENSION TRUST FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

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**ADDITIONS**

Employer contributions	<u>\$ 1,301,778</u>
Investment income:	
Net appreciation in fair value of investments and interest and dividends	663,715
Investment expense	<u>(43,338)</u>
Net Investment Income	<u>620,377</u>
Total Additions	1,922,155

**DEDUCTIONS**

Benefits	<u>1,149,616</u>
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<b>NET INCREASE</b>	772,539
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NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, DECEMBER 1	<u>9,845,789</u>
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<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, NOVEMBER 30</b>	<u><u>\$ 10,618,328</u></u>
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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 Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB 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.

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

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 funds 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.

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



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

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

**Neighborhood Stabilization Program Fund** -- This fund is used to account for grant revenues from the Neighborhood Stabilization Program through the Missouri Department of Economic Development and the related expenditures.

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.

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.

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**

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.

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

**5. Inventories**

Inventories are recorded at cost, which approximates market on the first-in, first-out basis. Governmental fund type inventory is recorded as an expenditure when it is used rather than when purchased.

**6. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

**7. Interfund Transactions**

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

**Transfers** -- Transfers of resources from a fund receiving revenue to the fund through which resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses).

**Due To/From Other Funds** -- Current portions of long-term interfund loans receivable/payable are considered "available spendable resources" and are reported as assets and liabilities of the appropriate funds.

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

**8. Capital Assets**

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental 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.

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

Assets	Years
Buildings and improvements	15 - 50
Land improvements	10 - 40
Infrastructure	5 - 33 $\frac{1}{3}$
Vehicles and equipment	3 - 15

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

**9. 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.

**10. 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. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**11. 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.

**12. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. 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.

**13. Deferred Revenues**

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them. In subsequent periods, when both the revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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

**14. 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, 2010, the City's and IDA's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

**2. Investments**

As of November 30, 2010, the City had the following investments:

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

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

**2. Investments (Continued)**

Investments	Fair Market Value	No Maturity	Maturities		Credit Risk
			Less Than One Year	More Than 10 Years	
<b>Primary Government</b>					
Certificates of deposit	\$ 3,148,263	-	3,148,263	-	N/A
Government securities:					
Federal agencies	1,285,833	-	1,285,833	-	AAA
Money market	345,238	345,238	-	-	Not rated
Total Primary Government Investments	4,779,334	345,238	4,434,096	-	
<b>Fiduciary Funds</b>					
Agency fund:					
Certificates of deposit	300,000	-	300,000	-	N/A
Pension plan pooled investments:					
Common stock funds	10,596,445	10,596,445	-	-	N/A
Group annuity contract	21,883	21,883	-	-	N/A
Total Fiduciary Funds Investments	10,918,328	10,618,328	300,000	-	
<b>Component Unit</b>					
Money market	306,420	306,420	-	-	Not rated
Repurchase agreement	991,000	-	-	991,000	N/A
Total Component Unit Investments	1,297,420	306,420	-	991,000	
Grand Total Investments	<u>\$ 16,995,082</u>	<u>11,269,986</u>	<u>4,734,096</u>	<u>991,000</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 prequalifying 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

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

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

**2. Investments (Continued)**

that securities mature to meet cash requirements for ongoing operations, 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:

For The Year Ended November 30, 2010				
	Balance November 30 2009	Additions And Transfers	Deletions And Transfers	Balance November 30 2010
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 4,576,268	-	-	4,576,268
Construction in progress	348,577	192,552	212,167	328,962
Total Capital Assets Not Being Depreciated	4,924,845	192,552	212,167	4,905,230
Capital assets being depreciated:				
Buildings	12,036,678	-	-	12,036,678
Improvements	10,366,353	502,164	-	10,868,517
Land improvements	367,741	-	-	367,741
Infrastructure	87,092,613	1,752,856	-	88,845,469
Vehicles and equipment	7,993,159	1,141,599	797,641	8,337,117
Total Capital Assets Being Depreciated	117,856,544	3,396,619	797,641	120,455,522
Less - Accumulated depreciation for:				
Buildings	6,618,759	305,125	-	6,923,884
Improvements	1,962,399	478,556	-	2,440,955
Land improvements	179,126	14,171	-	193,297
Infrastructure	42,521,184	2,962,526	-	45,483,710
Vehicles and equipment	4,930,963	647,079	489,450	5,088,592
Total Accumulated Depre- ciation	56,212,431	4,407,457	489,450	60,130,438
Total Capital Assets Being Depreciated, Net	61,644,113	(1,010,838)	308,191	60,325,084
Governmental Activities Capital Assets, Net	\$ 66,568,958	(818,286)	520,358	65,230,314

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

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

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

	<b>For The Year Ended November 30 2010</b>
<b>Governmental Activities</b>	
General government	\$ 70,445
Public safety	286,259
Public works and health, including depreciation of infrastructure assets	3,208,637
Culture and recreation	842,116
	<u>          </u>
Total	<u><u>\$ 4,407,457</u></u>

**NOTE D - LONG-TERM DEBT**

Long-term debt consists of the following:

	<b>November 30 2010</b>
Series 2002 \$14,030,000 certificates of participation for various improvements, due in annual installments through August 1, 2022, interest payable at 2.75% to 5%.	<u>\$7,215,000</u>

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

<b>For The Years Ended November 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
2011	\$ 575,000	348,650	923,650
2012	600,000	319,900	919,900
2013	625,000	289,900	914,900
2014	650,000	264,900	914,900
2015	685,000	238,250	923,250
2016 - 2020	2,960,000	691,000	3,651,000
2021 - 2022	1,120,000	84,750	1,204,750
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u><u>\$ 7,215,000</u></u>	<u><u>2,237,350</u></u>	<u><u>9,452,350</u></u>

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

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

The City has tax increment revenue bonds which are limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property, incremental increases in economic activity taxes in the project area, and monies on deposit in the Debt Service Reserve Fund. The bonds do not constitute a general obligation of the City. Bonds outstanding at November 30, 2010 consist of Series 2006 Tax Increment Improvement and Refunding Revenue Bonds for the Koch Plaza Redevelopment Project, issued September 1, 2006 and maturing on April 17, 2028.

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

	<b>For The Year Ended November 30, 2010</b>			<b>Amounts</b>	
	<b>Balance</b>			<b>Balance</b>	<b>Due</b>
	<b>November 30</b>			<b>November 30</b>	<b>Within</b>
	<b>2009</b>	<b>Additions</b>	<b>Reductions</b>	<b>2010</b>	<b>One Year</b>
Certificates of participation	\$ 7,760,000	-	545,000	7,215,000	575,000
Tax increment revenue bonds	1,950,000	-	360,000	1,590,000	300,000
Capital lease payable	195,523	370,715	241,974	324,264	43,240
Compensated absences	904,087	994,985	1,054,252	844,820	844,820
Total	<u>\$ 10,809,610</u>	<u>1,365,700</u>	<u>2,201,226</u>	<u>9,974,084</u>	<u>1,763,060</u>

The certificates of participation are to be liquidated by the Debt Service Fund with transfers from the Park Improvement and Capital Improvements Funds. The tax increment revenue bonds are liquidated by the Koch TIF Fund. Compensated absences and the capital lease payable are generally liquidated by the General Fund.

On December 8, 2003 the IDA issued \$19,040,000 in tax increment refunding revenue bonds for the City of Florissant-Cross Keys Redevelopment Project. Interest on the bonds will be payable semi-annually 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 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 balance at November 30, 2009 was \$16,345,000, principal payments made during the year were \$605,000, and the balance outstanding at November 30, 2010 was \$15,740,000. The bond retirements for the current year include \$875 of additional discount credited by the trustee.

**Capital Lease**

The City has entered into a lease agreement for financing the acquisition of golf carts. During the current fiscal year, the City traded in the old golf carts which paid off the old lease, and in turn, issued a new lease for the new golf carts, as permitted by the original lease agreement. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.



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

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

The assets acquired through the capital lease are as follows:

<b>Assets</b>	
Golf carts	\$ 367,491
Less - Accumulated depreciation	<u>61,249</u>
Total	<u><u>\$ 306,242</u></u>

A schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of November 30, 2010 is as follows:

<b>For The Years Ended November 30</b>	
2011	\$ 58,488
2012	58,488
2013	58,488
2014	58,488
2015	<u>144,019</u>
Total Minimum Lease Payments	377,971
Less - Amount representing interest	<u>53,707</u>
Present Value Of Future Minimum Lease Payments	<u><u>\$ 324,264</u></u>

**NOTE E - DEFINED BENEFIT PENSION 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, 2009, which is the date of the latest actuarial valuation available, was \$930,946 and the City's total payroll was \$14,872,349.

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

Membership in the Plan is comprised of the following:

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

**NOTE E - DEFINED BENEFIT PENSION PLAN (Continued)**

<u>Group</u>	<u>November 30</u> <u>2009</u>
Retirees and beneficiaries currently receiving benefits	11
Vested terminated employees and active employees	78

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.

***Funding Status and Progress***

<u>Pension Plan</u>			
<u>Valuation For</u> <u>The Actuarial</u> <u>Years Ended</u> <u>November 30</u>	<u>Actuarial</u> <u>Value Of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>
2009	\$9,845,789	\$ 14,094,354	\$4,248,565
2008	7,779,850	14,229,854	6,450,004
2007	12,140,887	14,511,122	2,370,235
2006	11,584,456	15,179,716	3,595,260
2005	10,848,239	14,747,343	3,899,104
2004	9,064,104	14,219,998	5,155,894
<u>Valuation For</u> <u>The Actuarial</u> <u>Years Ended</u> <u>November 30</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL As A</u> <u>Percentage</u> <u>Of Covered</u> <u>Payroll</u>
2009	69.9 %	\$ 930,946	456.4 %
2008	54.7	1,053,624	612.2
2007	83.7	1,134,536	208.9
2006	76.3	1,264,203	284.4
2005	73.6	1,809,894	215.4
2004	63.7	2,071,892	248.8

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

**NOTE E - DEFINED BENEFIT PENSION PLAN (Continued)**

<b>Schedule Of Employer Contributions</b>			
<b>For The Years Ended November 30</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2009	\$1,597,209	\$ 1,283,642	80.4 %
2008	364,775	1,165,885	319.6
2007	525,967	1,128,974	214.6
2006	664,951	974,760	146.6
2005	753,115	657,014	87.2
2004	704,684	530,517	75.3

Additional information as of the latest actuarial valuation follows:

Actuarial cost method	Frozen entry age
Amortization method	Using assumed rate of 7.5% over 26 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 cost for the Plan is shown in the trend information. There is not 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 (Asset)</b>	<b>Increase (Decrease) Net Pension Obligation (Asset)</b>
2009	\$ 1,621,080	79.2 %	\$ (554,663)	\$ 337,438
2008	366,975	317.7	(892,101)	(798,910)
2007	515,116	219.2	(93,191)	(613,858)
2006	649,379	150.1	520,667	(325,381)
2005	740,728	88.7	846,048	83,714
2004	696,133	76.2	762,334	165,616

# CITY OF FLORISSANT, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

### NOTE E - DEFINED BENEFIT PENSION PLAN (Continued)

Valuation For The Actuarial Years Ended November 30	Annual Pension Cost			
	Annual Required Contribution	Interest On The Net Pension Obligation (Asset)	Adjustment To The Annual Required Contribution	Annual Pension Cost
2009	\$ 1,597,209	\$ (66,908)	\$ 90,779	\$ 1,621,080
2008	364,775	(6,989)	9,189	366,975
2007	525,967	39,050	(49,901)	515,116
2006	664,951	63,454	(79,026)	649,379
2005	753,115	57,175	(69,562)	740,728
2004	704,684	44,754	(53,305)	696,133

### 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 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, 2010.

There was no significant reduction in insurance coverage during the year ended November 30, 2010 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

### NOTE H - DEFICIT BALANCES

The Community Development Fund, a Special Revenue Fund, had a deficit fund balance at November 30, 2010 of \$6,563. This fund deficit is expected to be funded with future revenues.

### NOTE I - CONTINGENCIES AND COMMITMENTS

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

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

**NOTE J - INTERFUND TRANSACTIONS**

Individual interfund transactions are as follows:

**Due from/to other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>November 30 2010</u>
General Fund	Agency Fund	\$737,300
General Fund	Capital Improvements Fund	24,831
General Fund	Sewer Lateral Fund	3,300
General Fund	Community Development Fund	10,601
Park Improvement Fund	General Fund	<u>3,187</u>
Total		<u>\$779,219</u>

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

**Interfund transfers:**

<u>Transfers Out</u>	<u>Transfers In</u>	<u>For The Year Ended November 30 2010</u>
Park Improvement Fund	Debt Service Fund	\$563,543
Capital Improvements Fund	Debt Service Fund	<u>293,167</u>
Total		<u>\$856,710</u>

Interfund transfers may be used to 1) move revenues from the fund that ordinance or budget required to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected to other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

**NOTE K - 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 Hartford 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:

**NOTE K - DEFINED CONTRIBUTION PLAN (Continued)**

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, 2010, amounted to \$232,945 for employees and \$1,173,362 for the City.

**NOTE L - 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, 2010 was \$13,645,000.

**NOTE M - RESTRICTED NET ASSETS**

The government-wide statement of net assets reports \$4,619,912 of restricted net assets, of which \$2,935,944 is restricted by enabling legislation. The balance of \$1,683,968 is restricted by indentures of the long-term debt.

**NOTE N - TAX INCREMENT REVENUES PLEDGED**

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds issued by the IDA and the City to finance certain improvements in the City. The bonds are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. Incremental taxes were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds per Note D is payable through April 17, 2028. For the current year, the IDA's principal and interest paid, and total incremental tax revenues were \$1,485,974 and \$1,684,033, respectively. For the current year, the City's principal and interest paid, and total incremental tax revenues were \$488,756 and \$438,305, respectively.

**NOTE O - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS**

**Plan Description**

The City provides healthcare benefits to employees defined as City retirees who have attained age 55 plus 10 years of service as long as the retiree pays the monthly premium. Individual and spousal medical and prescription drug benefits are available to retirees in the City's fully-insured plan. Retirees must contribute the entire monthly premium for single/family coverage. \$5,000 life insurance coverage is also provided for retirees. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities. The City's annual OPEB cost as of the most recent actuarial valuation and the related information are as follows:

	<b>For The Year Ended November 30 2009</b>
Amortization of past service cost	\$ 60,767
Normal cost	31,788
Interest to end of fiscal year	3,702
ARC	96,257
Interest on net OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost	96,257
Contributions made	(37,024)
Increase In Net OPEB Obligation	59,233
Net OPEB Obligation, December 1, 2008	-
	<u>\$ 59,233</u>
Net OPEB Obligation, November 30, 2009	<u>\$ 59,233</u>

The Plan was established by City Ordinance, which assigned the authority to establish and amend benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City.

In future years, three-year trend information will be presented. 2009 was the year of implementation of GASB 45 and the City has elected to implement prospectively, therefore, prior year comparative funding progress is not available.

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

**NOTE O - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS**  
**(Continued)**

**Required Supplemental Information**

<b>Schedule Of Funding Progress</b>				
<b>Valuation For The Actuarial Valuation December 1</b>	<b>Actuarial Value Of Assets (1)</b>	<b>Actuarial Accrued Liability (2)</b>	<b>Unfunded Accrued Liability (UAAL) (1)-(2)</b>	<b>Funded Ratio (1)/(2)</b>
2008	\$ -	\$ 858,882	\$ 858,882	- %

<b>Schedule Of Employer Contributions</b>			
<b>For The Year Ended November 30</b>	<b>Annual Required Contribution</b>	<b>Expected Employer Contribution</b>	<b>Percent Contributed</b>
2009	\$ 96,257	\$ 37,024	38.46 %

Significant actuarial assumptions used in the valuation are as follows:

Valuation method	Projected unit credit method
Latest valuation date	November 30, 2009
Discount rate	4% per annum
Amortization period	20 years for initial UAAL
Payroll inflation	N/A
Mortality	RP-2000 Mortality Table
Medical premium rates	9.5% initial rate; 5.5% alternate rate

**NOTE P - FUTURE ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), establishes standards for the policies and disclosures for fund balance among other things. GASB 54 will be effective for the City for the year ending November 30, 2011. The City, however, has not yet completed its assessment of the statement or the potential impact of the statement on its financial position.



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**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

REVENUES	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Budget
<b>Taxes</b>				
Cigarette	\$ 145,000	145,000	156,604	11,604
Gasoline	1,600,000	1,600,000	1,757,886	157,886
Road and bridge	650,000	650,000	635,055	(14,945)
Sales	6,900,000	6,900,000	6,705,743	(194,257)
Utility	5,950,000	5,950,000	5,729,069	(220,931)
Total Taxes	15,245,000	15,245,000	14,984,357	(260,643)
<b>Licenses and Permits</b>				
Business licenses	700,000	700,000	697,568	(2,432)
Liquor license	50,000	50,000	57,459	7,459
Building permits	300,000	300,000	288,921	(11,079)
Minimum housing	200,000	200,000	196,534	(3,466)
Annual sign fee	20,000	20,000	20,360	360
Other permits	20,000	20,000	29,775	9,775
Total Licenses And Permits	1,290,000	1,290,000	1,290,617	617
<b>Charges for Services</b>				
Green fees	276,710	276,710	310,265	33,555
Cart fees	335,858	335,858	183,474	(152,384)
Pro shop sales	26,284	26,284	27,414	1,130
Concession sales and fees, golf course	114,867	114,867	124,356	9,489
Nature lodge rental	-	-	6,180	6,180
Classes (except skate/swim)	60,000	60,000	85,582	25,582
Gym rental	20,000	20,000	19,200	(800)
Ice rink	50,000	50,000	64,053	14,053
Swimming pool - JJE	100,000	100,000	106,280	6,280
Swimming pool - Bangert	55,000	55,000	64,980	9,980
Swimming pool - Koch	125,000	125,000	152,930	27,930
Miscellaneous	300,000	300,000	302,978	2,978
Playground	50,000	50,000	48,705	(1,295)
Theatre	130,000	130,000	132,968	2,968
Concessions	100,000	100,000	102,735	2,735
Total Charges For Services	1,743,719	1,743,719	1,732,100	(11,619)
<b>Other</b>				
Other miscellaneous	900,000	1,176,200	1,290,827	114,627
Cable television	450,000	450,000	500,612	50,612
Senior citizen luncheons	20,000	20,000	25,656	5,656
Total Other	1,370,000	1,646,200	1,817,095	170,895

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

	<b>Budgeted Amounts</b>			<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES (Continued)</b>				
<b>Investment Income</b>	125,000	125,000	27,431	(97,569)
<b>Fines and Forfeitures</b>	1,650,000	1,850,000	3,190,340	1,340,340
<b>Intergovernmental</b>	345,000	499,564	302,102	(197,462)
Total Revenues	21,768,719	22,399,483	23,344,042	944,559
<b>EXPENDITURES</b>				
<b>General Government</b>				
Legislative:				
Salaries	105,612	105,612	105,612	-
Employees' benefits	28,148	28,148	27,224	(924)
Dues, travel, and training	27,000	27,000	7,930	(19,070)
Total Legislative	160,760	160,760	140,766	(19,994)
Administrative:				
Salaries	904,332	873,534	872,323	(1,211)
Employees' benefits	360,454	358,284	346,332	(11,952)
Residency incentive program	138,000	138,000	112,450	(25,550)
Unemployment claims	10,000	31,100	20,281	(10,819)
City hall and litigation	6,500	6,500	2,841	(3,659)
Postage and printing	43,000	43,000	40,731	(2,269)
Office supplies/printing	34,750	34,750	30,576	(4,174)
Copy equipment rental/supplies	28,000	28,000	21,953	(6,047)
Mayor's expenditures	10,000	10,000	9,622	(378)
Dues, travel, and training	9,000	9,000	6,308	(2,692)
Professional services	254,300	270,300	139,965	(130,335)
Legal notices and advertising	51,750	40,250	4,952	(35,298)
Service awards	12,000	12,000	6,711	(5,289)
Insurance, fire, and liability	750,000	750,000	740,509	(9,491)
Organization dues	21,415	21,415	20,578	(837)
Boards and commissions	3,250	3,250	1,104	(2,146)
Total Administrative	2,636,751	2,629,383	2,377,236	(252,147)
Senior services:				
Salaries	92,293	92,293	88,405	(3,888)
Employees' benefits	36,057	36,057	34,213	(1,844)
Uniforms and allowances	200	200	-	(200)
Utilities	6,000	6,000	4,272	(1,728)
Building maintenance and supplies	3,000	3,000	1,609	(1,391)
Office supplies/printing	7,200	7,200	2,858	(4,342)

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

	<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>				
Senior services (continued):				
Dues, travel, and training	500	500	310	(190)
Professional services	11,000	11,000	5,633	(5,367)
Senior citizen luncheons	30,000	30,000	23,404	(6,596)
Total Senior Services	<u>186,250</u>	<u>186,250</u>	<u>160,704</u>	<u>(25,546)</u>
Media:				
Salaries	88,835	88,835	86,878	(1,957)
Employees' benefits	34,064	34,064	34,064	-
Equipment repairs	3,000	3,000	1,545	(1,455)
Office supplies/printing	2,000	2,000	645	(1,355)
Materials and supplies	2,500	2,500	2,037	(463)
Dues, travel, and training	3,000	3,000	100	(2,900)
Professional services	21,000	21,000	18,010	(2,990)
Organization dues	300	300	-	(300)
Total Media	<u>154,699</u>	<u>154,699</u>	<u>143,279</u>	<u>(11,420)</u>
Municipal court:				
Salaries	432,682	402,682	364,606	(38,076)
Employees' benefits	118,950	118,950	108,490	(10,460)
Office supplies/printing	5,500	5,500	4,974	(526)
Dues, travel, and training	4,250	4,250	2,706	(1,544)
Professional services	228,700	464,280	427,927	(36,353)
Total Municipal Court	<u>790,082</u>	<u>995,662</u>	<u>908,703</u>	<u>(86,959)</u>
Information technology:				
Salaries	72,531	72,761	72,615	(146)
Employees' benefits	34,030	34,030	32,481	(1,549)
Office supplies/printing	7,240	7,240	6,690	(550)
Materials and supplies	5,500	5,500	3,323	(2,177)
Dues, travel, and training	1,700	1,700	1,282	(418)
Professional services	6,000	5,770	4,203	(1,567)
Total Information Technology	<u>127,001</u>	<u>127,001</u>	<u>120,594</u>	<u>(6,407)</u>
Housing center:				
Salaries	37,815	37,865	37,843	(22)
Employees' benefits	18,169	18,119	17,120	(999)
Office supplies/printing	1,000	1,000	992	(8)
Dues, travel, and training	1,000	1,000	1,000	-
Total Housing Center	<u>57,984</u>	<u>57,984</u>	<u>56,955</u>	<u>(1,029)</u>
Total General Government	<u>4,113,527</u>	<u>4,311,739</u>	<u>3,908,237</u>	<u>(403,502)</u>

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

EXPENDITURES (Continued)	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>Culture and Recreation</b>				
Community and civic center:				
Salaries	1,303,427	1,303,427	1,163,472	(139,955)
Employees' benefits	284,387	284,387	257,664	(26,723)
Total Community And Civic Center	1,587,814	1,587,814	1,421,136	(166,678)
Recreation - theatre:				
Salaries	146,467	146,467	142,441	(4,026)
Employees' benefits	59,084	59,084	49,679	(9,405)
Uniforms and allowances	250	250	217	(33)
Building maintenance and supplies	7,700	7,700	7,049	(651)
Office supplies/printing	8,600	8,600	8,598	(2)
Dues, travel, and training	3,350	3,350	3,322	(28)
Theatre workshop	67,550	84,691	69,507	(15,184)
Publicity	5,520	5,520	4,907	(613)
Total Recreation - Theatre	298,521	315,662	285,720	(29,942)
Recreation - playground:				
Salaries	113,563	113,563	100,854	(12,709)
Employees' benefits	8,688	8,688	7,715	(973)
Total Recreation - Playground	122,251	122,251	108,569	(13,682)
Recreation - Bangert:				
Salaries	132,257	132,257	101,873	(30,384)
Employees' benefits	10,118	10,118	7,166	(2,952)
Total Recreation - Bangert	142,375	142,375	109,039	(33,336)
Recreation - parks:				
Salaries	152,597	177,597	177,255	(342)
Employees' benefits	8,231	11,231	9,508	(1,723)
Debt service	10,000	10,000	1,153	(8,847)
Utilities	7,500	8,100	7,127	(973)
Building, maintenance, and supplies	5,000	300	198	(102)
Professional services	917,697	893,797	825,167	(68,630)
Total Recreation - Parks	1,101,025	1,101,025	1,020,408	(80,617)
Recreation - Koch Aquatic Center:				
Salaries	196,171	196,171	196,080	(91)
Employees' benefits	15,007	15,007	15,000	(7)
Total Recreation - Koch Aquatic Center	211,178	211,178	211,080	(98)
Total Culture And Recreation	3,463,164	3,480,305	3,155,952	(324,353)

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

EXPENDITURES (Continued)	Budgeted Amounts		Actual	Over
	Original	Final		(Under) Budget
<b>Public Safety</b>				
Police:				
Salaries	6,355,299	6,374,389	6,349,512	(24,877)
Employees' benefits	2,459,966	2,434,966	2,412,398	(22,568)
Uniforms and allowances	69,000	69,000	52,842	(16,158)
Telephone	101,700	116,700	111,503	(5,197)
Utilities	62,400	62,400	51,117	(11,283)
Gasoline	183,500	193,500	183,161	(10,339)
Building maintenance and supplies	67,500	67,500	59,524	(7,976)
Equipment repairs - vehicles	21,500	21,500	15,955	(5,545)
Office supplies/printing	29,000	29,000	21,508	(7,492)
Copy equipment - rental/supply	12,000	12,000	9,975	(2,025)
Communication service	270,800	270,800	254,558	(16,242)
Ammunition - armory supplies	10,000	10,000	9,869	(131)
Police forfeiture expenditures	-	276,200	232,469	(43,731)
Dues, travel, and training	51,000	51,000	43,790	(7,210)
Gasoline control account	65,000	65,000	479	(64,521)
Total Public Safety - Police	9,758,665	10,053,955	9,808,660	(245,295)
<b>Public Works and Health</b>				
Public works:				
Salaries	1,902,703	1,902,703	1,831,864	(70,839)
Employees' benefits	770,718	770,718	739,853	(30,865)
Uniforms and allowances	8,000	8,000	6,302	(1,698)
Utilities	83,000	90,500	84,960	(5,540)
Gasoline	50,000	45,000	37,190	(7,810)
Office supplies/printing	14,000	14,000	12,661	(1,339)
Ice/snow removal	160,000	115,000	98,533	(16,467)
Dues, travel, and training	55,000	50,000	39,758	(10,242)
Professional services	195,000	196,800	53,164	(143,636)
Street lighting	450,000	520,000	491,966	(28,034)
Capital outlay	-	476,000	30,400	(445,600)
Gasoline control account	25,000	25,000	4,546	(20,454)
Total Public Works	3,713,421	4,213,721	3,431,197	(782,524)

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

	<u>Budgeted Amounts</u>			<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>EXPENDITURES (Continued)</b>				
<b>Public Works and Health (Continued)</b>				
Health:				
Salaries	498,881	498,881	453,744	(45,137)
Employees' benefits	161,053	161,053	157,238	(3,815)
Uniforms and allowances	2,700	2,700	1,939	(761)
Utilities	8,000	10,000	7,414	(2,586)
Gasoline	31,000	33,000	29,865	(3,135)
Building maintenance and supplies	8,000	8,000	6,433	(1,567)
Office supplies/printing	4,000	4,000	2,763	(1,237)
Materials and supplies	30,000	26,000	17,336	(8,664)
Dues, travel, and training	500	500	220	(280)
Professional services	30,000	30,000	12,082	(17,918)
Total Health	<u>774,134</u>	<u>774,134</u>	<u>689,034</u>	<u>(85,100)</u>
Total Public Works And Health	<u>4,487,555</u>	<u>4,987,855</u>	<u>4,120,231</u>	<u>(867,624)</u>
Total Expenditures	<u>21,822,911</u>	<u>22,833,854</u>	<u>20,993,080</u>	<u>(1,840,774)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (54,192)</u>	<u>(434,371)</u>	<u>2,350,962</u>	<u>2,785,333</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			956,838	
Expenditure accrual adjustments			53,773	
Encumbrance adjustments			<u>(121,943)</u>	
Total Adjustments To Reconcile To GAAP Basis			<u>888,668</u>	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			3,239,630	
<b>FUND BALANCE, DECEMBER 1</b>			<u>6,103,136</u>	
<b>FUND BALANCE, NOVEMBER 30</b>			<u><u>\$ 9,342,766</u></u>	



**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - CAPITAL IMPROVEMENTS FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

	<b>Budgeted Amounts</b>			<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 3,050,000	3,050,000	3,034,176	(15,824)
Investment income	10,000	10,000	3,236	(6,764)
Intergovernmental	1,640,000	1,651,572	78,078	(1,573,494)
Total Revenues	4,700,000	4,711,572	3,115,490	(1,596,082)
<b>EXPENDITURES</b>				
Capital outlay	4,344,275	4,405,847	2,436,586	(1,969,261)
<b>REVENUES OVER EXPENDITURES</b>	355,725	305,725	678,904	373,179
<b>OTHER FINANCING USES</b>				
Transfers out	(311,000)	(311,000)	(293,167)	(17,833)
<b>REVENUES OVER (UNDER) EX- PENDITURES AND OTHER FINANCING USES</b>	<u>\$ 44,725</u>	<u>(5,275)</u>	<u>385,737</u>	<u>391,012</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			(24,212)	
Expenditure accrual adjustments			62,341	
Encumbrance adjustments			(293,490)	
Total Adjustments To Reconcile To GAAP Basis			<u>(255,361)</u>	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			130,376	
<b>FUND BALANCE, DECEMBER 1</b>			<u>777,008</u>	
<b>FUND BALANCE, NOVEMBER 30</b>			<u>\$ 907,384</u>	

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - PARK IMPROVEMENT FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

	<b>Budgeted Amounts</b>			<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ 2,950,000	2,950,000	2,854,608	(95,392)
Investment income	10,000	10,000	3,325	(6,675)
Intergovernmental	-	824,200	418,079	(406,121)
Total Revenues	<u>2,960,000</u>	<u>3,784,200</u>	<u>3,276,012</u>	<u>(508,188)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	2,514,500	2,514,500	2,279,174	(235,326)
Capital outlay	<u>326,900</u>	<u>1,210,102</u>	<u>869,872</u>	<u>(340,230)</u>
Total Expenditures	<u>2,841,400</u>	<u>3,724,602</u>	<u>3,149,046</u>	<u>(575,556)</u>
<b>REVENUES OVER EXPENDITURES</b>	118,600	59,598	126,966	67,368
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(605,000)</u>	<u>(585,000)</u>	<u>(563,543)</u>	<u>(21,457)</u>
<b>REVENUES OVER (UNDER) EX- PENDITURES AND OTHER FINANCING USES</b>	<u>\$ (486,400)</u>	<u>(525,402)</u>	<u>(436,577)</u>	<u>88,825</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			(63,354)	
Expenditure accrual adjustments			31,548	
Encumbrance adjustments			<u>234,992</u>	
Total Adjustments To Reconcile To GAAP Basis			<u>203,186</u>	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			(233,391)	
<b>FUND BALANCE, DECEMBER 1</b>			<u>645,051</u>	
<b>FUND BALANCE, NOVEMBER 30</b>			<u>\$ 411,660</u>	

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - SEWER LATERAL FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Taxes	\$ 750,000	876,197	126,197
Investment income	10,000	13,961	3,961
Total Revenues	<u>760,000</u>	<u>890,158</u>	<u>130,158</u>
<b>EXPENDITURES</b>			
Current:			
Public works	493,959	379,262	(114,697)
Capital outlay	135,200	126,797	(8,403)
Total Expenditures	<u>629,159</u>	<u>506,059</u>	<u>(123,100)</u>
<b>REVENUES OVER EXPENDITURES</b>	<u><u>\$ 130,841</u></u>	<u><u>384,099</u></u>	<u><u>253,258</u></u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
Revenue accrual adjustments		153,184	
Expenditure accrual adjustments		18,133	
Encumbrance adjustments		<u>(11,546)</u>	
Total Adjustments To Reconcile To GAAP Basis		<u>159,771</u>	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>		543,870	
<b>FUND BALANCE, DECEMBER 1</b>		<u>1,073,030</u>	
<b>FUND BALANCE, NOVEMBER 30</b>		<u><u>\$ 1,616,900</u></u>	

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO**  
**SCHEDULES OF REVENUES, EXPENDITURES, AND**  
**CHANGE IN FUND BALANCES - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

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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 Neighborhood Stabilization Program, Community Development, Koch TIF, and Debt Service. 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**

Debt Service Funds are 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 obligations.

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**NOVEMBER 30, 2010**

	<b>Special Revenue Funds</b>			<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Community Development Fund</b>	<b>Home Equity Assurance Fund</b>	<b>Koch TIF Fund</b>		
<b>ASSETS</b>					
Cash	\$ -	40,516	-	-	40,516
Investments	-	100,000	-	-	100,000
Receivables:					
Taxes	-	-	52,897	-	52,897
Interest	-	76	-	-	76
Intergovernmental	10,602	-	-	-	10,602
Restricted assets:					
Investments	-	-	317,724	1,313,347	1,631,071
<b>Total Assets</b>	<u>\$ 10,602</u>	<u>140,592</u>	<u>370,621</u>	<u>1,313,347</u>	<u>1,835,162</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>					
<b>Liabilities</b>					
Accrued payroll	\$ 6,564	-	-	-	6,564
Due to other funds	10,601	-	-	-	10,601
<b>Total Liabilities</b>	<u>17,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,165</u>
<b>Fund Balances (Deficit)</b>					
Reserved for:					
Debt service	-	-	370,621	1,313,347	1,683,968
Unreserved, reported in:					
Special Revenue Funds	<u>(6,563)</u>	<u>140,592</u>	<u>-</u>	<u>-</u>	<u>134,029</u>
<b>Total Fund Balances (Deficit)</b>	<u>(6,563)</u>	<u>140,592</u>	<u>370,621</u>	<u>1,313,347</u>	<u>1,817,997</u>
<b>Total Liabilities And Fund Balances (Deficit)</b>	<u>\$ 10,602</u>	<u>140,592</u>	<u>370,621</u>	<u>1,313,347</u>	<u>1,835,162</u>

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT**  
**OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

	<b>Special Revenue Funds</b>			<b>Debt</b>	<b>Total</b>
	<b>Community</b>	<b>Home Equity</b>	<b>Koch</b>	<b>Service</b>	<b>Nonmajor</b>
	<b>Development</b>	<b>Assurance</b>	<b>TIF</b>	<b>Fund</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>		<b>Funds</b>
<b>REVENUES</b>					
Taxes	\$ -	-	438,305	-	438,305
Other	-	30	-	-	30
Investment income	-	1,466	-	55,736	57,202
Intergovernmental	211,929	-	-	-	211,929
Total Revenues	<u>211,929</u>	<u>1,496</u>	<u>438,305</u>	<u>55,736</u>	<u>707,466</u>
<b>EXPENDITURES</b>					
Current:					
General government	205,024	4,350	1,750	-	211,124
Debt service:					
Principal	-	-	360,000	545,000	905,000
Interest	-	-	128,756	368,406	497,162
Total Expenditures	<u>205,024</u>	<u>4,350</u>	<u>490,506</u>	<u>913,406</u>	<u>1,613,286</u>
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	6,905	(2,854)	(52,201)	(857,670)	(905,820)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>856,710</u>	<u>856,710</u>
<b>NET CHANGES IN FUND</b>					
<b>BALANCES (DEFICIT)</b>	6,905	(2,854)	(52,201)	(960)	(49,110)
<b>FUND BALANCES (DEFICIT),</b>					
<b>DECEMBER 1</b>	<u>(13,468)</u>	<u>143,446</u>	<u>422,822</u>	<u>1,314,307</u>	<u>1,867,107</u>
<b>FUND BALANCES (DEFICIT),</b>					
<b>NOVEMBER 30</b>	<u>\$ (6,563)</u>	<u>140,592</u>	<u>370,621</u>	<u>1,313,347</u>	<u>1,817,997</u>



**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - HOME EQUITY ASSURANCE FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2010**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other	\$ -	-	30	30
Investment income	1,000	1,000	1,466	466
Total Revenues	1,000	1,000	1,496	496
<b>EXPENDITURES</b>				
Current:				
General government	1,000	11,000	4,350	(6,650)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>(10,000)</u>	(2,854)	<u>7,146</u>
<b>FUND BALANCE, DECEMBER 1</b>			<u>143,446</u>	
<b>FUND BALANCE, NOVEMBER 30</b>			<u>\$ 140,592</u>	

**FIDUCIARY FUND TYPES - AGENCY FUNDS**

Agency Funds are used to account for assets held by the City as an agent for an 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, 2010**

	<b>Balance November 30 2009</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance November 30 2010</b>
<b>ASSETS</b>				
Cash	\$ 1,691,461	269,280	230,413	1,730,328
Investments	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total Assets	<u><u>\$ 1,691,461</u></u>	<u><u>569,280</u></u>	<u><u>230,413</u></u>	<u><u>2,030,328</u></u>
<b>LIABILITIES</b>				
Due to others:				
Court bonds	\$ 853,090	-	60,734	792,356
Construction deposits	129,969	26,169	-	156,138
Other deposits	<u>514,213</u>	<u>-</u>	<u>169,679</u>	<u>344,534</u>
	1,497,272	26,169	230,413	1,293,028
Due to other funds	<u>194,189</u>	<u>543,111</u>	<u>-</u>	<u>737,300</u>
Total Liabilities	<u><u>\$ 1,691,461</u></u>	<u><u>569,280</u></u>	<u><u>230,413</u></u>	<u><u>2,030,328</u></u>