
**CITY OF FLORISSANT,
MISSOURI**

Financial Report
(Audited)

Year Ended November 30, 2004

CITY OF FLORISSANT, MISSOURI

FINANCIAL REPORT

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

INDEPENDENT AUDITORS' REPORT

January 5, 2005

Honorable Mayor and City Council
CITY OF FLORISSANT, MISSOURI

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of November 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

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

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

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

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

Financial Highlights

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

Overview of the Financial Statements

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

City of Florissant, Missouri

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

Government-wide Financial Statements

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

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

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as transactions occur, regardless of when the related cash flows are reported. Therefore, some revenues and expenses included in this statement may reflect cash flows that actually occur in future periods.

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

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

Fund Financial Statements

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

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

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

City of Florissant, Missouri

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

The City uses the following governmental funds:

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

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

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

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

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

Notes to the Financial Statements

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

Government-wide Financial Analysis

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

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

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

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

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

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

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

City of Florissant, Missouri

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

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

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

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

Financial Analysis of the City's Funds

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

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

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

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

General Fund Budgetary Highlights

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

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

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

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

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

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

Capital Assets and Debt Administration

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

Capital Assets

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

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

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

Long-term Debt

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

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

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

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

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

The outlook for next year

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

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

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

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

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

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

CITY OF FLORISSANT, MISSOURI

STATEMENT OF NET ASSETS

NOVEMBER 30, 2004

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

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

| Net Revenues (Expenses) And Changes In Net Assets | | | | | | | | |
|---|------------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|--------------|----------------------------------|
| | Program Revenues | | | Primary Government | | Component Unit | | |
| | Expenses | Charges For Services | Operating Grants And Contributions | Capital Grants And Contributions | Governmental Activities | Business-type Activities | Total | Industrial Development Authority |
| FUNCTIONS/PROGRAMS | | | | | | | | |
| Primary Government | | | | | | | | |
| Governmental Activities | | | | | | | | |
| General government | \$ 4,214,668 | - | 309,624 | - | (3,905,044) | - | (3,905,044) | - |
| Culture and recreation | 5,214,530 | 738,848 | - | 147,991 | (4,327,691) | - | (4,327,691) | - |
| Public safety | 8,365,493 | 1,482,788 | 124,507 | - | (6,758,198) | - | (6,758,198) | - |
| Public works and health | 5,890,983 | 1,086,882 | 2,450,168 | 1,183,989 | (1,169,944) | - | (1,169,944) | - |
| Interest on long-term debt | 535,145 | - | - | - | (535,145) | - | (535,145) | - |
| Total Governmental Activities | 24,220,819 | 3,308,518 | 2,884,299 | 1,331,980 | (16,696,022) | - | (16,696,022) | - |
| Business-type Activities | | | | | | | | |
| Golf course | 1,196,030 | 926,696 | - | - | - | (269,334) | (269,334) | - |
| Total Primary Government | \$ 25,416,849 | 4,235,214 | 2,884,299 | 1,331,980 | (16,696,022) | (269,334) | (16,965,356) | - |
| Component Unit | | | | | | | | |
| Industrial Development Authority | \$ 17,342,225 | 263,159 | - | - | - | - | - | (17,079,066) |
| General Revenues | | | | | | | | |
| Taxes: | | | | | | | | |
| Sales | | | | | 11,440,733 | - | 11,440,733 | - |
| Utility | | | | | 1,841,193 | - | 1,841,193 | - |
| Other | | | | | 188,445 | - | 188,445 | - |
| Investment income | | | | | 539,631 | - | 539,631 | 11,083 |
| Licenses and permits | | | | | 697,299 | - | 697,299 | - |
| Other | | | | | 802,957 | - | 802,957 | 77,655 |
| Transfers | | | | | (36,366) | 36,366 | - | - |
| Total General Revenues | | | | | 15,473,892 | 36,366 | 15,510,258 | 88,738 |
| Change In Net Assets | | | | | (1,222,130) | (232,968) | (1,455,098) | (16,990,328) |
| Net Assets, December 1 | | | | | 22,904,957 | 3,071,829 | 25,976,786 | 10,477 |
| Net Assets, November 30 | | | | | \$ 21,682,827 | 2,838,861 | 24,521,688 | (16,979,851) |

See notes to financial statements

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

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

See notes to financial statements

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

| | |
|--|---------------|
| Total Fund Balances - Governmental Funds | \$ 15,014,186 |
|--|---------------|

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

| | |
|---|------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$28,843,028 and the accumulated depreciation is \$8,482,986. | 20,360,042 |
|---|------------|

| | |
|--|---------|
| Municipal court receivables are assessed by the City, but are not collected as of November 30, 2004 and deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements. | 201,125 |
|--|---------|

| | |
|--|--------------|
| Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of: | |
| Accrued interest payable | (172,815) |
| Certificates of participation | (12,355,000) |
| Compensated absences | (767,993) |
| Pension contribution payable | (596,718) |
| | <hr/> |

| | |
|---------------------------------------|-----------------------------|
| Net Assets Of Governmental Activities | <u><u>\$ 21,682,827</u></u> |
|---------------------------------------|-----------------------------|

CITY OF FLORISSANT, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(DEFICIT) - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2004

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

See notes to financial statements

CITY OF FLORISSANT, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED NOVEMBER 30, 2004

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

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

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

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

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

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

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

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

ASSETS

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

LIABILITIES

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

NET ASSETS

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

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

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

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

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash flows used in operating activities:

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

Cash flows provided by noncapital financing activities:

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

Cash flows used in investing activities:

| | |
|----------------|----------------|
| Other expenses | <u>(1,524)</u> |
|----------------|----------------|

NET INCREASE IN CASH AND CASH EQUIVALENTS

-

CASH AND CASH EQUIVALENTS, DECEMBER 1

-

CASH AND CASH EQUIVALENTS, NOVEMBER 30

\$ -

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

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

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

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

See notes to financial statements_

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

ADDITIONS

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

DEDUCTIONS

| | |
|----------|------------------|
| Benefits | <u>1,393,054</u> |
|----------|------------------|

| | |
|---------------------|---------|
| NET INCREASE | 374,374 |
|---------------------|---------|

| | |
|---|------------------|
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, DECEMBER 1 | <u>9,422,647</u> |
|---|------------------|

| | |
|--|----------------------------|
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, NOVEMBER 30 | <u><u>\$ 9,797,021</u></u> |
|--|----------------------------|

CITY OF FLORISSANT, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

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

2. Government-wide and Fund Financial Statements

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

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the government reports the following fund types:

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

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

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

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

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

4. Cash, Cash Equivalents, and Investments

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

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

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

5. Inventories

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

6. Advances To/From Other Funds

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Advances To/From Other Funds (Continued)

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

7. Capital Assets

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

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

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

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

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

8. Encumbrances

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

CITY OF FLORISSANT, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Compensated Absences

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

10. Fund Equity

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

11. Long-Term Obligations

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

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments

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

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

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

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

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

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

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

NOTE D - LONG-TERM DEBT

Long-term debt consists of the following:

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

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

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

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

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

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

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

NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN

1. Plan Description and Provisions

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

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

Membership in the Plan is comprised of the following:

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)

1. Plan Description and Provisions (Continued)

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

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

All contributions to the plan are made by the City.

2. Funding Status and Progress

All available years are presented as follows:

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

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)

2. Funding Status and Progress (Continued)

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

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

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

3. Annual Pension Cost

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

4. Trend Information

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)

4. Trend Information (Continued)

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

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

NOTE F - PROPERTY TAXES

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

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

NOTE G - INSURANCE

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

CITY OF FLORISSANT, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE G - INSURANCE (Continued)

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

NOTE H - DEFICIT BALANCES

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

NOTE I - CONTINGENCIES AND COMMITMENTS

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

NOTE J - DEFINED CONTRIBUTION PLAN

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

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

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

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

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE K - CONDUIT DEBT OBLIGATIONS

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

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

NOTE L - RESTATEMENT OF FUND BALANCES

The previously stated fund balances have been adjusted as follows:

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

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

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

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION SECTION

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

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

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

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

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

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

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

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

Budgets and Budgetary Accounting

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

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

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

CITY OF FLORISSANT, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF FLORISSANT, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

CITY OF FLORISSANT, MISSOURI

OTHER SUPPLEMENTAL INFORMATION

ENTERPRISE FUND

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

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

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

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

CITY OF FLORISSANT, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND TYPES - AGENCY FUNDS

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

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

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

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

SINGLE AUDIT SECTION



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

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

January 5, 2005

Honorable Mayor and City Council
CITY OF FLORISSANT, MISSOURI

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

Compliance

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

Internal Control Over Financial Reporting

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

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

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

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

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

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

NOTES:

1. General

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

2. Basis of Accounting

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



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

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

January 5, 2005

Honorable Mayor and City Council
CITY OF FLORISSANT, MISSOURI

Compliance

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

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

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

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Internal Control Over Compliance

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

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

Schedule of Expenditure of Federal Awards

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

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

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

None

