
**CITY OF FLORISSANT,
MISSOURI**

FINANCIAL REPORT
(Audited)

Year Ended November 30, 2008

CITY OF FLORISSANT, MISSOURI

FINANCIAL REPORT

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

INDEPENDENT AUDITORS' REPORT

March 16, 2009

Honorable Mayor and City Council
CITY OF FLORISSANT, MISSOURI

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of November 30, 2008, and the respective changes in financial position 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 March 16, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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

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


CERTIFIED PUBLIC ACCOUNTANTS

CITY OF FLORISSANT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

The City of Florissant, Missouri (the City) presents this narrative to help our readers review the accompanying annual financial statements for the year ended November 30, 2008. We have prepared the management's discussion and analysis (MD&A) of the City's financial activities to add additional information to the financial schedules and the note disclosures. This is the sixth year of reporting in conformance with the guidelines prescribed in the Governmental Accounting Standards Board Statement No. 34 (GASB 34).

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$66,702,998 (net assets). Of this amount, \$6,012,986 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- Fund balances, a measure of current financial resources not otherwise budgeted or encumbered, in the governmental funds increased \$980,023 to a total of \$13,646,082. \$11,180,955 is unreserved and available for future programs.
- The General Fund unreserved fund balance is \$8,352,709 or 36.3% of the final adopted budget appropriations, the Capital Improvements Fund unreserved fund balance is \$427,744 or 10.5% of the final adopted budget appropriations which includes transfers out for debt service payments, and the Park Improvement Fund unreserved fund balance is \$1,024,979 or 26.2% of the final adopted budget appropriations which includes transfers out for debt service payments.
- The City's total debt for the 2002 Certificates of Participation decreased \$940,000 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net assets presents information on all the City's assets and liabilities, including long-term debt and capital assets in the governmental funds. The difference between assets and liabilities is reported as net assets.

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

CITY OF FLORISSANT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

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

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

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

Governmental funds. Governmental funds are used to account for the City's basic services, the same services that are included in the governmental activities on the government-wide statements. However, the information in the fund statements is measured differently. Governmental funds focus on current financial resources rather than economic resources. Therefore, the statements include the short-term resources, such as cash, investments, and receivables, that will be collected within 60 days and liabilities that will be retired with these monies. This information is important for assessing the City's current financial resources.

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

The City uses the following governmental funds:

Major Funds

- ✓ General
- ✓ Capital Improvements
- ✓ Park Improvement
- ✓ Sewer Lateral

Nonmajor Funds

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

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

The budgetary comparison for the General, Capital Improvements, Park Improvement, and Sewer Lateral Funds are included with the required supplemental information. Budgetary comparisons for all other funds are presented with other supplemental information.

CITY OF FLORISSANT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

Proprietary funds. Proprietary funds are used for two types of accounting. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City has no proprietary funds.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The first statement in the government-wide statements is the statement of net assets. The following table summarizes the statement of net assets for the governmental activities as of November 30, 2008 and 2007 (dollars in thousands):

	<u>Governmental Activities</u>	
	<u>November 30</u>	
	<u>2008</u>	<u>2007</u>
ASSETS		
Current and other assets	\$15,841	14,252
Capital assets, net	<u>64,779</u>	<u>65,743</u>
Total Assets	<u>80,620</u>	<u>79,995</u>
 LIABILITIES		
Long-term debt outstanding	12,109	13,224
Other liabilities	<u>1,808</u>	<u>1,906</u>
Total Liabilities	<u>13,917</u>	<u>15,130</u>
 NET ASSETS		
Invested in capital assets, net of related debt	55,784	55,749
Restricted	4,906	4,218
Unrestricted	<u>6,013</u>	<u>4,898</u>
Total Net Assets	<u>\$66,703</u>	<u>64,865</u>

CITY OF FLORISSANT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

Total assets increased by \$625,000 while total liabilities decreased by \$1,213,000. The net result is an increase in total net assets of \$1,838,000.

The second statement in the government-wide statements is the statement of activities. This financial summary outlines the City's primary programs. The following table outlines the major components of the statement of activities for the governmental activities for the years ended November 30, 2008 and 2007 (dollars in thousands):

	<u>Governmental Activities</u>	
	For The Years	
	Ended November 30	
	<u>2008</u>	<u>2007</u>
REVENUES		
Program revenues:		
Charges for services	\$ 5,430	5,797
Operating grants and contributions	3,062	3,201
Capital grants and contributions	361	633
General revenues:		
Sales tax	14,262	13,389
Utility tax	5,533	3,315
Investment income	464	676
Licenses and permits	785	783
Other general revenues	<u>1,027</u>	<u>1,003</u>
Total Revenues	<u>30,924</u>	<u>28,797</u>
PROGRAM EXPENSES		
General government	4,227	4,040
Culture and recreation	6,547	6,376
Public safety	9,304	8,828
Public works and health	8,408	8,098
Interest on long-term debt	<u>600</u>	<u>612</u>
Total Program Expenses	<u>29,086</u>	<u>27,954</u>
CHANGE IN NET ASSETS	<u>\$ 1,838</u>	<u>843</u>

Total revenues increased \$2,127,000 from 2007 with program revenues decreasing \$778,000 and general revenues increasing \$2,905,000.

Program expenses increased \$1,132,000. Public safety increased \$476,000 due to increases in wages and benefits associated with the hiring of an additional three police officers. Public works and health increased \$310,000 due to increases in the cost of road salt and calcium chloride for ice and snow removal.

CITY OF FLORISSANT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Financial information for the City's governmental funds is summarized in the balance sheet - governmental funds and the statement of revenues, expenditures, and changes in fund balances - governmental funds. Total governmental fund balances increased \$980,023. The General Fund balance increased \$282,187. The Capital Improvement Fund balance decreased \$30,409. The Park Improvement Fund balance increased \$211,813. The Sewer Lateral Fund balance increased \$355,350.

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

BUDGETARY HIGHLIGHTS

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

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

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

Overall revenue results for the year were good, exceeding the budget estimate by \$921,065 or 4.4%. Gasoline tax missed the budget goal of \$1,775,000 by \$116,747. Sales tax missed the budget goal of \$7,500,000 by \$87,347. Both of these reflect an economy that was in severe stress for the last quarter of the fiscal year.

The road and bridge tax exceeded the budget goal of \$575,000 by \$125,642. This is the result of a dramatic increase in the assessed valuation of real property due to reassessment. Utility license taxes exceeded the budget goal of \$3,800,000 by \$25,458. Beginning mid-year the mobile phone companies began collecting and remitting the utility license tax for the first time.

CITY OF FLORISSANT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

Licenses and permits revenue exceeded the budget goal of \$1,251,000 by \$55,077 based on the strength of business licenses and building permits revenue. Charges for services missed the budget goal of \$1,772,000 by \$160,478. A number of program areas missed their budget goals including the golf course, ice rink, indoor swimming pool, Koch pool, playground program, and miscellaneous revenue of which the majority is generated by the fitness centers.

Other revenue exceeded the budget goal of \$809,000 by \$1,321,193. This is due to the settlement of an on-going dispute with the mobile phone companies over the collection of the utility license tax on mobile phone service. The settlement netted the City a one time receipt of \$1,679,439. The mobile phone companies are now collecting and remitting the utility license tax on a monthly basis.

Cable television missed the budget goal of \$450,000 by \$41,962 due to state legislation which changed the monthly remittance to quarterly remittance. This affected the timing of franchise fee payments. In addition, the primary provider, Charter Communications, is having financial problems. Another provider, AT&T, also entered the market in 2008. Investment income missed the budget goal of \$351,000 by \$38,688. This reflects a steep decline in interest rates. Fines and forfeitures missed the budget goal of \$2,500,000 by \$329,788. Intergovernmental revenue exceeded the budget goal of \$150,000 by \$167,933 on the strength of various police grants. The City has police officers attached to the FBI and DEA as well as a number of local schools which all provide funding at some level.

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

- \$418,792 - Renovation of the James J. Eagan Civic Center ice rink, to be offset by parks grant
- \$190,126 - Police wages and benefits for new clerk typist, three police officers, and overtime
- \$160,000 - Eight new Police cars
- \$131,600 - Salt for snow removal
- \$109,000 - Police forfeiture money, various capital items
- \$ 85,000 - Survey, design, and bid documents for Old Town phase VII
- \$ 53,135 - Payment for services provided by the St. Louis County Municipal League
- \$ 40,000 - Overtime for Public Works
- \$ 40,000 - Gasoline for police, parks, and golf
- \$ 38,400 - New crosswalk light at 1520 Derhake
- \$ 35,000 - New spa for the James J. Eagan Civic Center pool area
- \$ 30,000 - Utilities for the golf course
- \$ 25,000 - Overtime for Parks
- \$ 25,000 - Demolition of derelict building

CAPITAL ASSETS AND DEBT ADMINISTRATION

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

Capital assets. The following table summarizes the capital assets, net of depreciation, for the governmental activities as of November 30, 2008 and 2007 (dollars in thousands):

CITY OF FLORISSANT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

	<u>Governmental Activities</u>	
	<u>November 30</u>	
	<u>2008</u>	<u>2007</u>
Land	\$ 4,578	4,578
Construction in progress	410	357
Buildings	4,732	4,850
Improvements	8,416	8,363
Land improvements	182	195
Infrastructure	43,541	44,523
Vehicles and equipment	<u>2,920</u>	<u>2,877</u>
Total	<u>\$64,779</u>	<u>65,743</u>

Total capital assets decreased \$964,000 from 2007. Construction-in progress of \$410,000 represents the on-going construction of the Nature Lodge at Sunset Park. Additional information can be found in Note C of the financial statements.

Long-term debt. The following table summarizes the City's scheduled long-term outstanding debt for the governmental activities as of November 30, 2008 and 2007 (dollars in thousands):

	<u>Governmental Activities</u>	
	<u>November 30</u>	
	<u>2008</u>	<u>2007</u>
Certificates of participation	\$ 8,740	9,680
Tax increment revenue bonds	2,200	2,330
Capital lease payable	<u>256</u>	<u>313</u>
Total	<u>\$11,196</u>	<u>12,323</u>

The City has \$8,740,000 in bonds outstanding from the Series 2002 Certificates of Participation bonds issued to renovate the James J. Eagan and John F. Kennedy community centers and Bangert Pool. The principal balance on this debt decreased \$940,000 from last year. The Certificates of Participation are scheduled to be paid off in the year 2022.

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

The City has other long-term debt of \$913,534 for compensated absences. Additional information can be found in Note D of the financial statements.

**CITY OF FLORISSANT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2008**

HIGHLIGHTS FROM 2008 AND THE OUTLOOK FOR THE FUTURE

Overall revenue performance in the General Fund was good, exceeding the budget goal of \$21,123,000 by \$921,065 or 4.4%. However, this positive result must be tempered with an understanding that these figures include a one time lump sum payment of \$1,679,439 for the settlement of the mobile phone dispute. Without this, the results for the year would not have been so positive.

\$13,820,000 or 65.4% of the General Fund revenue budget comes from taxes. Combined taxes in the General Fund missed their budget goal by \$53,870 or 0.4%. The road and bridge tax and the utility tax both exceeded their budget goals. The sales tax, which includes the 1% county-wide sales tax and the motor vehicle sales tax, missed the budget goal by \$87,347. The gasoline tax, which includes the motor vehicle fuel tax and the motor vehicle fee increases, missed the budget goal by \$116,747. With a national economy that has all kinds of problems, the City is very concerned about the future of these revenue sources.

Combined licenses and permits revenue exceeded the budget goal of \$1,251,000 by \$55,077 or 4.4%. Business license fees exceeded the budget goal by \$16,016 and building permits exceeded the budget goal by \$40,303. Investment income missed the budget goal by \$38,688 largely as a result of a sharp drop in interest rates.

The budget for the Capital Improvement Fund sales tax was too aggressive at \$3,500,000. This goal was missed by \$236,169 or 6.7%. Intergovernmental revenue missed the budget goal of \$148,000 by \$115,803 due to the timing on the receipt of grant revenue.

The Park Improvement Fund sales tax exceeded the budget goal of \$3,100,000 by \$1,809. This sales tax is distributed based solely on sales within the City. This indicates that in spite of what is happening with the national economy, the local economy is doing well.

2008 marked the second full year of the agreement with American Traffic Solutions (ATS) to install and operate red light camera traffic enforcement systems at various intersections throughout the City. 14,487 tickets were paid in 2007 while 9,149 tickets were paid in 2008. This dramatic decline in tickets paid was anticipated based on the history of this type of traffic safety enforcement system in other cities. It was anticipated that tickets paid would decline as drivers become acclimated to the system and adjust their driving habits. This result was one of the goals of the program and should result in fewer accidents and injuries at these intersections.

In August 2008, information came to the attention of the finance department indicating the possibility of an ongoing fraud scheme occurring at the municipal golf course. The Florissant Police Department, in collaboration with the Missouri State Highway Patrol, conducted a thorough investigation into the allegations. The investigation uncovered a number of fraud schemes perpetrated by the Golf Course Manager and the Assistant Manager. These schemes included missing deposits, theft of petty cash, fraudulent receipt of the City residency bonus, theft of gift certificate payments, unauthorized sale of City property for personal gain, and operation of an ongoing fraudulent junior golf foundation. Warrants have been issued by the St. Louis County Prosecuting Attorney's office for the Golf Course Manager on four counts of stealing over \$500 and for the Clubhouse Manager on one count of stealing over \$500.

CITY OF FLORISSANT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

All counts are class "C" felonies. The total amount of the theft which has been documented is \$54,207. The City has submitted a claim to its insurance carrier for reimbursement of the loss.

In October 2008, while conducting a routine audit of information requested from the Missouri Department of Revenue (DOR), the finance department was able to determine that the DOR had not properly increased the City's population in the statewide pools for the motor fuel tax, motor vehicle sales tax, and the motor vehicle fee increases. The audit revealed that the DOR had failed to increase the City's population in these three pools for four annexations dating from 2002 to 2004. Distributions from these three revenue sources are based on the City's population in a statewide pool of cities. The amount of tax that the DOR failed to properly credit to the City for these three revenues sources is estimated at \$700,000.

At the same time, a similar audit of the cigarette tax revealed that the DOR again had not properly increased the City's population in the countywide pool for distribution of the cigarette tax. The audit revealed that the DOR had correctly made the adjustment for the first annexation in 2002 but had failed to make the adjustments for the three subsequent annexations. The amount of tax that the DOR failed to properly credit to the City for the cigarette tax is estimated at \$50,000.

The City Attorney is actively communicating with the DOR in an attempt to get the situation corrected. The DOR has taken a hard-line position and is refusing to correct their mistakes. The City may ultimately have to file suit against the DOR to recover the money.

The finance department then conducted follow-up audits to verify that the pool populations for the one-percent countywide sales tax and the one-half percent capital improvement sales tax were correct. The pool populations for those two sales taxes were found to be correct.

In 1999 the City joined with other cities throughout Missouri in legal action to attempt to compel mobile phone companies to properly collect and remit the municipal utility license tax. In response, the mobile phone companies took a hard line and blocked every effort and proposal on behalf of the cities to collect the tax. Legal efforts continued until 2005 when lobbyists on behalf of the mobile phone companies encouraged the Missouri State Legislature to adopt HB209 which was intended to settle the dispute between mobile phone providers and the cities legislatively. The City adopted Ordinance #7298 in May 2006 to comply with the new legislation. HB209 was subsequently over-turned by the Missouri Supreme Court in August 2007. The City's ordinance anticipated this possibility and the utility license fee reverted to the pre-existing rate and structure. The mobile phone companies then began to meet with representatives of the various cities and were able to reach a settlement agreement in August 2008. Verizon, US Cellular, AT&T, and Sprint have all complied with the settlement terms. The City received \$1,679,439 in 2008 for two years of back taxes and attorney fees from the settlement. The mobile phone companies are now collecting and remitting the utility license tax monthly.

The City is actively pursuing a number of redevelopment projects to improve the economic prosperity and quality of life for our residents. Current projects include:

**CITY OF FLORISSANT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2008**

- » The Rolwes company has received approval to build 18 detached villas on a site across from Koch Park on Charbonier Road to be known as "Parkside Estates". Development costs are estimated at \$4,500,000.
- » Kozak Realty has been selected to redevelop the Madrid Plaza shopping center located at Parker Spur/Parker Road/New Halls Ferry Road. This project should break ground in the spring of 2009. Development costs are estimated at \$11,000,000.
- » Life Care Centers of America, located in Cleveland, Tennessee, purchased the Maloney Manor property on Parker Road. They have received approval for a senior living community called "Garden Plaza of Florissant". The development will be a state of the art senior community with multiple levels of housing and care. Cost is estimated at \$40,000,000 with construction scheduled to start in the spring of 2009.
- » The Sansone Group, developers of The Shoppes at Cross Keys redevelopment project completed in 2003, have been selected to redevelop the southeast corner of New Halls Ferry and Lindbergh Roads. This site currently contains the Cross Keys Apartment complex and will be redeveloped for commercial activity.
- » The Behlmann Construction Company has received approval to build 53 town home condominiums at a site on Charbonier Road to be known as "Fleurissant Parc Place". Development costs are estimated at \$17,000,000.
- » The Florissant Valley Fire Protection District is proceeding with the building of two new firehouses to replace two existing firehouses. Cost of this project is estimated at \$3,000,000.

The City is very concerned with the ongoing impact of the economic downturn facing the country. To date, the impact has been felt most strongly in receipts from the motor vehicle sales tax and the motor vehicle fee increases which are down appreciably. We fully expect the 1% county-wide sales tax to decline in the upcoming year. Should the recession deepen we expect declines in revenue to migrate into other areas such as charges for services as discretionary income dissipates and building permits as construction slows to a halt.

The next major financial hurdle facing the City is the impact resulting from implementation of the 2010 census in 2012. Both the 1990 and 2000 census results revealed a declining City population which significantly reduced revenue from various revenue sources which are distributed on a per capita basis. Based on interim information available on the Census Bureau's web site, it appears that the City's populations will decline in 2010. The Mayor and City Council have been briefed on this potential and are planning now to position the City for this possibility.

REQUESTS FOR INFORMATION

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

CITY OF FLORISSANT, MISSOURI

STATEMENT OF NET ASSETS

NOVEMBER 30, 2008

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Industrial Development Authority</u>
ASSETS		
Cash	\$ 2,653,163	58,916
Investments	6,757,581	-
Prepaid expenses	94,940	-
Receivables:		
Taxes	3,600,814	145,742
Interest	32,698	-
Intergovernmental	609,694	-
Court	365,421	-
Other	666	-
Due from Fiduciary Fund	170,728	-
Inventories	20,187	-
Restricted assets:		
Investments	1,341,871	1,340,210
Bond issue costs	100,101	552,432
Net pension asset	93,191	-
Capital assets:		
Land and construction in progress	4,988,459	-
Other capital assets, net of accumulated depreciation	59,790,699	-
Total Assets	<u>80,620,213</u>	<u>2,097,300</u>
LIABILITIES		
Accounts payable	791,198	-
Accrued interest payable	171,769	75,900
Accrued payroll	845,062	-
Noncurrent liabilities:		
Due within one year	2,083,663	-
Due in more than one year	10,025,523	17,185,000
Total Liabilities	<u>13,917,215</u>	<u>17,260,900</u>
NET ASSETS		
Invested in capital assets, net of related debt	55,783,506	-
Restricted:		
Debt service	1,776,863	1,340,210
Capital projects	2,279,473	-
Sewer lateral	850,170	-
Unrestricted (deficit)	<u>6,012,986</u>	<u>(16,503,810)</u>
Total Net Assets	<u>\$ 66,702,998</u>	<u>(15,163,600)</u>

See notes to financial statements

CITY OF FLORISSANT, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED NOVEMBER 30, 2008

FUNCTIONS/PROGRAMS	Net Revenues (Expenses) And Changes In Net Assets				
	Program Revenues				Component Unit
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Industrial Development Authority
Primary Government					
Governmental Activities					
General government	\$ 4,226,621	-	352,034	-	(3,874,587)
Culture and recreation	6,546,870	1,611,522	-	314,810	(4,620,538)
Public safety	9,304,317	2,302,616	268,699	-	(6,733,002)
Public works and health	8,408,026	1,515,723	2,441,521	46,206	(4,404,576)
Interest on long-term debt	600,469	-	-	-	(600,469)
Total Governmental Activities	\$ 29,086,303	\$ 5,429,861	\$ 3,062,254	\$ 361,016	\$ (20,233,172)
Component Unit					
Industrial Development Authority	\$ 991,847	-	-	-	(991,847)
General Revenues					
Taxes:					
Sales					14,262,121
Utility					5,532,707
Property					41,035
Other					166,503
Investment income					463,488
Licenses and permits					785,005
Other					819,891
Total General Revenues					22,070,750
CHANGES IN NET ASSETS					1,719,581
NET ASSETS, DECEMBER 1					727,734
NET ASSETS, NOVEMBER 30					64,865,420
					(15,891,334)
					\$ 66,702,998
					(15,163,600)

See notes to financial statements

CITY OF FLORISSANT, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
NOVEMBER 30, 2008

ASSETS	General Fund	Capital Improvements Fund	Park Improvement Fund	Sewer Lateral Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$ 1,951,093	36,685	480,614	142,824	41,947	2,653,163
Investments	5,050,104	500,000	100,000	650,000	457,477	6,757,581
Prepaid items	94,940	-	-	-	-	94,940
Receivables:						
Taxes	2,196,860	582,857	585,127	158,455	77,515	3,600,814
Interest	29,447	2,056	140	875	180	32,698
Intergovernmental	53,952	25,754	529,988	-	-	609,694
Court	365,421	-	-	-	-	365,421
Other	-	-	666	-	-	666
Restricted assets:						
Investments	-	-	-	-	1,341,871	1,341,871
Inventories	20,187	-	-	-	-	20,187
Due from other funds	337,649	-	28,049	-	-	365,698
Total Assets	\$ 10,099,653	1,147,352	1,724,584	952,154	1,918,990	15,842,733

LIABILITIES AND FUND BALANCES

Liabilities						
Accounts payable	\$ 325,129	193,006	180,009	91,712	1,342	791,198
Accrued payroll	774,939	-	52,944	10,272	6,907	845,062
Deferred revenue	365,421	-	-	-	-	365,421
Due to other funds	28,049	6,876	159,628	-	417	194,970
Total Liabilities	1,493,538	199,882	392,581	101,984	8,666	2,196,651

Fund Balances

Reserved for:						
Encumbrances	138,279	519,726	307,024	26,525	16,575	1,008,129
Debt service	-	-	-	-	1,341,871	1,341,871
Prepaid items	94,940	-	-	-	-	94,940
Inventories	20,187	-	-	-	-	20,187
Unreserved, reported in:						
General Fund	8,352,709	-	-	-	-	8,352,709
Special Revenue Funds	-	427,744	1,024,979	823,645	551,878	2,828,246
Total Fund Balances	8,606,115	947,470	1,332,003	850,170	1,910,324	13,646,082
Total Liabilities And Fund Balances	\$ 10,099,653	1,147,352	1,724,584	952,154	1,918,990	15,842,733

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, 2008

Total Fund Balances - Governmental Funds	\$ 13,646,082
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$117,388,001 and the accumulated depreciation is \$52,608,843.	64,779,158
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Municipal court receivables are assessed by the City, but are not collected as of November 30, 2008 and deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	365,421
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The net pension asset is not a financial resource and, therefore, is not reported in the governmental funds.	93,191
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Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Accrued interest payable	(171,769)
Certificates of participation	(8,740,000)
Tax increment revenue bonds	(2,200,000)
Unamortized bond issuance cost	100,101
Capital lease payable	(255,652)
Compensated absences	(913,534)

Total Net Assets Of Governmental Activities	<u>\$ 66,702,998</u>
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CITY OF FLORISSANT, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2008

	General Fund	Capital Improvements Fund	Park Improvement Fund	Sewer Lateral Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 15,496,422	3,272,490	3,253,636	994,651	400,387	23,417,586
Licenses and permits	1,306,077	-	-	-	-	1,306,077
Charges for services	1,611,522	-	-	-	-	1,611,522
Other	923,063	-	-	-	30	923,093
Investment income	281,602	37,343	31,912	34,284	78,347	463,488
Fines and forfeitures	2,115,308	-	-	-	-	2,115,308
Intergovernmental	289,651	46,206	314,810	-	352,034	1,002,701
Total Revenues	<u>22,023,645</u>	<u>3,356,039</u>	<u>3,600,358</u>	<u>1,028,935</u>	<u>830,798</u>	<u>30,839,775</u>
EXPENDITURES						
Current:						
General government	3,798,392	-	-	-	348,712	4,147,104
Culture and recreation	3,483,336	-	2,189,360	-	-	5,672,696
Public safety	9,630,268	-	-	-	-	9,630,268
Public works and health	4,759,482	-	-	582,356	-	5,341,838
Capital outlay	-	2,619,349	620,631	91,229	-	3,331,209
Debt service:						
Principal	57,771	-	-	-	1,070,000	1,127,771
Interest	12,209	-	-	-	596,657	608,866
Total Expenditures	<u>21,741,458</u>	<u>2,619,349</u>	<u>2,809,991</u>	<u>673,585</u>	<u>2,015,369</u>	<u>29,859,752</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>282,187</u>	<u>736,690</u>	<u>790,367</u>	<u>355,350</u>	<u>(1,184,571)</u>	<u>980,023</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	1,345,653	1,345,653
Transfers out	-	(767,099)	(578,554)	-	-	(1,345,653)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(767,099)</u>	<u>(578,554)</u>	<u>-</u>	<u>1,345,653</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>282,187</u>	<u>(30,409)</u>	<u>211,813</u>	<u>355,350</u>	<u>161,082</u>	<u>980,023</u>
FUND BALANCES, DECEMBER 1	<u>8,323,928</u>	<u>977,879</u>	<u>1,120,190</u>	<u>494,820</u>	<u>1,749,242</u>	<u>12,666,059</u>
FUND BALANCES, NOVEMBER 30	<u>\$ 8,606,115</u>	<u>947,470</u>	<u>1,332,003</u>	<u>850,170</u>	<u>1,910,324</u>	<u>13,646,082</u>

See notes to financial statements

CITY OF FLORISSANT, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
-AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED NOVEMBER 30, 2008

Net Change In Fund Balances - Governmental Funds		\$ 980,023
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$3,759,136) exceeded capital outlays over the capitalization threshold totaling \$2,855,808 in the current period.		(903,328)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(60,061)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		84,112
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Decrease in net pension obligation	613,858	
Decrease in accrued interest payable	<u>13,552</u>	627,410
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources of the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, the governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Increase in compensated absences		(13,194)
Repayments:		
Certificates of participation	940,000	
Tax increment revenue bonds	130,000	
Payments on capital lease payable	57,771	
Amortization of issuance costs	<u>(5,155)</u>	1,122,616
Change In Net Assets Of Governmental Activities		<u>\$ 1,837,578</u>

CITY OF FLORISSANT, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
NOVEMBER 30, 2008

	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ -	1,435,671
Investments	7,779,850	-
Total Assets	<u>7,779,850</u>	<u>1,435,671</u>
LIABILITIES		
Due to others:		
Court bonds	-	784,145
Construction deposits	-	149,424
Other deposits	-	331,374
	-	1,264,943
Due to other funds	-	170,728
Total Liabilities	<u>-</u>	<u>1,435,671</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 7,779,850</u>	<u>-</u>

CITY OF FLORISSANT, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
PENSION TRUST FUND
FOR THE YEAR ENDED NOVEMBER 30, 2008

ADDITIONS

Employer contributions	<u>\$ 1,165,885</u>
Investment income (loss):	
Net depreciation in fair value of investments and interest and dividends	(3,791,228)
Investment expense	<u>(52,911)</u>
Net Investment Income (Loss)	<u>(3,844,139)</u>
Total Additions - Net	<u>(2,678,254)</u>

DEDUCTIONS

Benefits	<u>1,682,783</u>
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NET DECREASE	(4,361,037)
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NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, DECEMBER 1	<u>12,140,887</u>
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NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, NOVEMBER 30	<u><u>\$ 7,779,850</u></u>
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CITY OF FLORISSANT, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

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

2. Government-wide and Fund Financial Statements

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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.

Additionally, the City reports the following fund types:

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

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

4. Cash, Cash Equivalents, and Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, certain commercial paper, repurchase agreements, bankers acceptances, and time deposits.

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

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Inventories

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

6. Prepaid Items

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

7. Interfund Transactions

Current portions of long-term interfund loans receivable (reported in "due from" asset accounts) are considered "available spendable resources" and are subject to elimination upon consolidation.

8. Capital Assets

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

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

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

Assets	Years
Buildings and improvements	15 - 50
Land improvements	10 - 40
Infrastructure	5 - 33½
Vehicles and equipment	3 - 15

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Encumbrances

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

10. Compensated Absences

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

11. Fund Equity

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

12. Long-term Obligations

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

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Deferred Revenues

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

14. Use of Estimates

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City’s bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City’s cash not insured by the Federal Deposit Insurance Corporation.

As of November 30, 2008, the City’s and IDA’s bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City’s name.

2. Investments

As of November 30, 2008, the City had the following investments:

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

<u>Investments</u>	<u>Fair Market Value</u>	<u>No Maturity</u>	<u>Less Than One Year</u>	<u>More Than 10 Years</u>	<u>Credit Risk</u>
Primary Government					
Certificates of deposit	\$ 6,400,104	-	6,400,104	-	N/A
Government securities:					
Federal agencies	1,285,228	-	1,285,228	-	AAA
Money market	414,120	414,120	-	-	Not rated
Total Primary Government Investments	<u>8,099,452</u>	<u>414,120</u>	<u>7,685,332</u>	<u>-</u>	
Fiduciary Funds					
Pension plan pooled investments:					
Common stock funds	6,335,009	6,335,009	-	-	N/A
Group annuity contract	1,444,841	1,444,841	-	-	N/A
Total Fiduciary Funds Invest- ments	<u>7,779,850</u>	<u>7,779,850</u>	<u>-</u>	<u>-</u>	
Component Unit					
Money market	349,210	349,210	-	-	Not rated
Repurchase agreement	991,000	-	-	991,000	N/A
Total Compo- nent Unit Investments	<u>1,340,210</u>	<u>349,210</u>	<u>-</u>	<u>991,000</u>	
 Grand Total Investments	 <u>\$17,219,512</u>	 <u>8,543,180</u>	 <u>7,685,332</u>	 <u>991,000</u>	

Investments Policies

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

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing primarily in shorter term securities.

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

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

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

For The Year Ended November 30, 2008				
	Balance November 30 2007	Additions	Deletions	Balance November 30 2008
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 4,578,194	-	-	4,578,194
Construction in progress	356,659	191,148	137,542	410,265
Total Capital Assets Not Being Depreciated	4,934,853	191,148	137,542	4,988,459
Capital assets being depreciated:				
Buildings	10,923,519	148,385	-	11,071,904
Improvements	9,490,416	447,518	-	9,937,934
Land improvements	346,935	-	-	346,935
Infrastructure	81,883,793	1,538,103	-	83,421,896
Vehicles and equipment	7,288,358	668,196	335,681	7,620,873
Total Capital Assets Being Depreciated	109,933,021	2,802,202	335,681	112,399,542
Less - Accumulated depreciation for:				
Buildings	6,073,931	265,782	-	6,339,713
Improvements	1,127,878	393,775	-	1,521,653
Land improvements	151,590	13,770	-	165,360
Infrastructure	37,360,621	2,520,524	-	39,881,145
Vehicles and equipment	4,411,307	565,285	275,620	4,700,972
Total Accumulated Depreciation	49,125,327	3,759,136	275,620	52,608,843
Total Capital Assets Being Depreciated, Net	60,807,694	(956,934)	60,061	59,790,699
Governmental Activities Capital Assets, Net	<u>\$ 65,742,547</u>	<u>(765,786)</u>	<u>197,603</u>	<u>64,779,158</u>

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 2008
Governmental Activities	
General government	\$ 43,786
Public safety	254,387
Public works and health, including depreciation of infrastructure assets	2,725,854
Culture and recreation	735,109
	<u>\$ 3,759,136</u>

NOTE D - LONG-TERM DEBT

Long-term debt consists of the following:

	November 30 2008
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>\$8,740,000</u>

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

For The Years Ended November 30	Principal	Interest	Total
2009	\$ 980,000	403,931	1,383,931
2010	545,000	368,406	913,406
2011	575,000	348,650	923,650
2012	600,000	319,900	919,900
2013	625,000	289,900	914,900
2014 - 2018	3,280,000	1,005,400	4,285,400
2019 - 2022	<u>2,135,000</u>	<u>273,500</u>	<u>2,408,500</u>
Total	<u>\$ 8,740,000</u>	<u>3,009,687</u>	<u>11,749,687</u>

CITY OF FLORISSANT, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

The City has tax increment revenue bonds which are limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property, incremental increases in economic activity taxes in the project area, and monies on deposit in the Debt Service Reserve Fund. The bonds do not constitute a general obligation of the City. Bonds outstanding at November 30, 2008 consist of Series 2006 Tax Increment Improvement and Refunding Revenue Bonds for the Koch Plaza Redevelopment Project, issued September 1, 2006 and maturing on April 17, 2028, in the amount of \$2,200,000.

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

	For The Year Ended November 30, 2008			Amounts	
	Balance		Balance	Due	
	November 30		November 30	Within	
	2007	Additions	Reductions	2008	One Year
Certificates of participation	\$ 9,680,000	-	940,000	8,740,000	980,000
Tax increment revenue bonds	2,330,000	-	130,000	2,200,000	130,000
Compensated absences	900,340	957,713	944,519	913,534	913,534
Capital lease payable	313,423	-	57,771	255,652	60,129
	\$ 13,223,763	957,713	2,072,290	12,109,186	2,083,663

The certificates of participation are to be liquidated by the Debt Service Fund with transfers from the Park Improvement and Capital Improvements Funds. Also, compensated absences and the capital lease payable are generally liquidated by the General Fund.

On December 8, 2003 the IDA issued \$19,040,000 in tax increment refunding revenue bonds for the City of Florissant-Cross Keys Redevelopment Project. Interest on the bonds will be payable semi-annually on each May 1 and November 1, with interest rates of 5% and 5.625% and final maturity of May 1, 2024. The bonds are being issued by the IDA pursuant to a trust indenture dated December 1, 2003 by and between the IDA and the trustee. The bonds are special limited obligations of the IDA, payable solely from bond proceeds and pledged revenues. The IDA and the City have entered into a financing agreement dated December 1, 2003 pursuant to which the City has agreed to transfer to the trustee for application to the payment of the bonds all payments in lieu of taxes; subject to annual appropriation of the City, all economic activity tax revenues; and subject to annual appropriation by The Shoppes at Cross Keys Transportation Development District, all TDD revenues. The principal balance outstanding at November 30, 2008 was \$17,185,000.

Capital Lease

The City has entered into a lease agreement for financing the acquisition of golf carts. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

The assets acquired through the capital lease are as follows:

Assets	
Golf carts	\$ 425,081
Less - Accumulated depreciation	<u>172,057</u>
	<u><u>\$ 253,024</u></u>

A schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of November 30, 2008 is as follows:

For The Years Ended November 30	
2009	\$ 69,980
2010	69,980
2011	69,980
2012	<u>69,979</u>
Total Minimum Lease Payments	279,919
Less - Amount representing interest	<u>24,267</u>
Present Value Of Future Minimum Lease Payments	<u><u>\$ 255,652</u></u>

NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN

Plan Description and Provisions

The Plan is a single-employer, defined benefit pension plan that covers all of the City's employees who work at least 1,000 hours per year and elected to remain in the plan as of January 1, 2001. The Plan was created and is governed by City ordinance. The payroll for employees covered by the Plan for the year ended November 30, 2007, which is the date of the latest actuarial valuation available, was \$1,134,536 and the City's total payroll was \$13,629,581.

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)

<u>Group</u>	<u>November 30</u> <u>2007</u>
Retirees and beneficiaries currently receiving benefits	10
Vested terminated employees and active employees	92

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

All contributions to the Plan are made by the City.

Funding Status and Progress

<u>Pension Plan</u>			
<u>Valuation For</u> <u>The Actuarial</u> <u>Years Ended</u> <u>November 30</u>	<u>Actuarial</u> <u>Value Of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>
2007	\$ 12,140,887	\$ 14,511,122	\$ 2,370,235
2006	11,584,456	15,179,716	3,595,260
2005	10,848,239	14,747,343	3,899,104
2004	9,064,104	14,219,998	5,155,894
2003	9,291,937	14,045,236	4,753,299
2002	8,299,908	12,828,059	4,528,151
<u>Valuation For</u> <u>The Actuarial</u> <u>Years Ended</u> <u>November 30</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL As A</u> <u>Percentage</u> <u>Of Covered</u> <u>Payroll</u>
2007	83.7 %	\$ 1,134,536	208.9 %
2006	76.3	1,264,203	284.4
2005	73.6	1,809,894	215.4
2004	63.7	2,071,892	248.8
2003	66.2	2,227,318	213.4
2002	64.7	2,269,178	199.6

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)

Schedule Of Employer Contributions			
For The Years Ended November 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
2007	\$ 525,967	\$ 1,128,974	214.6 %
2006	664,951	974,760	146.6
2005	753,115	657,014	87.2
2004	704,684	530,517	75.3
2003	676,682	578,412	85.5
2002	553,987	586,713	105.9

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%

Annual Pension Cost

Current year annual pension cost for the Plan is shown in the trend information. There is not a net pension obligation for the Plan.

Trend Information

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

Pension Plan				
Valuation For The Actuarial Years Ended November 30	Annual Pension Cost	Percentage Contributed	Net Pension Obligation (Asset)	Increase (Decrease) Net Pension Obligation
2007	\$ 515,116	219.2 %	\$ (93,191)	\$ (613,858)
2006	649,379	150.1	520,667	(325,381)
2005	740,728	88.7	846,048	83,714
2004	696,133	76.2	762,334	165,616
2003	670,313	86.3	596,718	91,901
2002	547,964	107.1	504,817	(38,749)

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)

Valuation For The Actuarial Years Ended November 30	Annual Pension Cost			
	Annual Required Contribution	Interest On The Net Pension Obligation	Adjustment To The Annual Required Contribution	Annual Pension Cost
2007	\$ 525,967	\$ 39,050	\$ (49,901)	\$ 515,116
2006	664,951	63,454	(79,026)	649,379
2005	753,115	57,175	(69,562)	740,728
2004	704,684	44,754	(53,305)	696,133
2003	676,682	37,861	(44,230)	670,313
2002	553,987	40,767	(46,790)	547,964

NOTE F - PROPERTY TAXES

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

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

NOTE G - INSURANCE

The City managed risks of loss related to employee life, health and disability, workers' compensation, property, and liability by purchasing commercial insurance for the year ended November 30, 2008.

There was no significant reduction in insurance coverage during the year ended November 30, 2008 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

NOTE H - DEFICIT BALANCES

The Community Development Fund, a Special Revenue Fund, had a deficit fund balance at November 30, 2008 of \$7,659. 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.

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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, 2008, amounted to \$236,242 for employees and \$1,187,538 for the City.

NOTE K - CONDUIT DEBT OBLIGATIONS

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

Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate future principal maturities of outstanding bonds at November 30, 2008 was \$13,645,000.

NOTE L - NET ASSETS

The government-wide statement of net assets reports \$4,906,506 of which \$3,129,643 is restricted by enabling legislation. The balance of \$1,776,863 is restricted by indentures of the long-term debt.

CITY OF FLORISSANT, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE M - TAX INCREMENT REVENUES PLEDGED

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds to finance certain improvements in the City. The bonds are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. Incremental taxes were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds per Note D is payable through April 17, 2028. For the current year, principal and interest paid and total incremental tax revenues were \$287,107 and \$400,387, respectively.

NOTE N - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension Plans* (GASB 45), establishes accounting and financial reporting standards for postemployment benefits other than pensions. As part of a total compensation package, many governments offer postemployment benefit plans other than pensions such as healthcare, life insurance, and so forth. GASB 45 establishes standards for the measurement, recognition, and display of other postemployment benefit expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local government employers. GASB 45 will be effective for the City for the fiscal year ending November 30, 2009. Management of the City has not yet completed its assessment of the statement.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* (GASB 51), establishes standards for the measurement and recording the estimated historical cost for land associated with right-of-way easements. GASB 51 will be effective for the City for the fiscal year ending November 30, 2010. The City, however, has not yet completed its assessment of the statement or the potential impact of the statement on its financial position.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - BUDGET BASIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Taxes				
Cigarette	\$ 170,000	170,000	169,124	(876)
Gasoline	1,775,000	1,775,000	1,658,253	(116,747)
Road and bridge	575,000	575,000	700,642	125,642
Sales	7,500,000	7,500,000	7,412,653	(87,347)
Utility	3,800,000	3,800,000	3,825,458	25,458
Total Taxes	13,820,000	13,820,000	13,766,130	(53,870)
Licenses and Permits				
Business licenses	685,000	685,000	701,016	16,016
Liquor license	50,000	50,000	52,667	2,667
Building permits	275,000	275,000	315,303	40,303
Minimum housing	200,000	200,000	192,619	(7,381)
Annual sign fee	21,000	21,000	22,432	1,432
Other permits	20,000	20,000	22,040	2,040
Total Licenses And Permits	1,251,000	1,251,000	1,306,077	55,077
Charges for Services				
Green fees	225,000	225,000	269,880	44,880
Green fees/cart rental packages	75,000	75,000	266	(74,734)
Cart fees	175,000	175,000	189,417	14,417
Pro shop sales	45,000	45,000	29,030	(15,970)
Concession sales and fees, golf course	175,000	175,000	125,318	(49,682)
Skateboard park	1,000	1,000	1,465	465
Classes (except skate/swim)	62,000	62,000	67,015	5,015
Gym rental	15,000	15,000	22,125	7,125
Ice rink	70,000	70,000	36,610	(33,390)
Swimming pool - JJE	110,000	110,000	99,767	(10,233)
Swimming pool - Bangert	50,000	50,000	59,898	9,898
Swimming pool - Koch	150,000	150,000	128,794	(21,206)
Miscellaneous	329,000	329,000	291,254	(37,746)
Playground	65,000	65,000	40,576	(24,424)
Theatre	125,000	125,000	146,349	21,349
Concessions	100,000	100,000	103,758	3,758
Total Charges For Services	1,772,000	1,772,000	1,611,522	(160,478)
Other				
Other miscellaneous	700,000	809,000	2,130,193	1,321,193
Cable television	450,000	450,000	408,038	(41,962)
Senior citizen luncheons	20,000	20,000	21,648	1,648
Total Other	1,170,000	1,279,000	2,559,879	1,280,879

(Continued)

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
-EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2008

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES (Continued)				
Investment Income	351,000	351,000	312,312	(38,688)
Fines and Forfeitures	2,500,000	2,500,000	2,170,212	(329,788)
Intergovernmental	150,000	150,000	317,933	167,933
Total Revenues	21,014,000	21,123,000	22,044,065	921,065
EXPENDITURES				
General Government				
Legislative:				
Salaries	105,612	105,612	105,612	-
Employees' benefits	28,148	28,148	27,263	(885)
Postage	10,000	10,000	8,618	(1,382)
Dues, travel, and training	27,000	27,000	13,794	(13,206)
Total Legislative	170,760	170,760	155,287	(15,473)
Administrative:				
Salaries	893,478	893,478	878,418	(15,060)
Employees' benefits	352,485	352,485	335,503	(16,982)
Residency incentive program	138,000	138,000	120,013	(17,987)
Unemployment claims	15,000	15,000	(10,114)	(25,114)
City hall and litigation	11,800	11,800	6,469	(5,331)
Postage and printing	50,000	50,000	36,877	(13,123)
Office supplies/printing	44,500	44,500	35,733	(8,767)
Copy equipment rental/supplies	28,000	28,000	24,571	(3,429)
Mayor's expenditures	20,000	20,000	19,999	(1)
Dues, travel, and training	13,500	13,500	10,868	(2,632)
Professional services	255,000	332,635	289,515	(43,120)
Legal notices and advertising	35,000	47,500	43,049	(4,451)
Service awards	12,500	12,500	9,429	(3,071)
Insurance, fire, and liability	800,000	783,000	717,789	(65,211)
Organization dues	29,420	33,129	27,084	(6,045)
Boards and commissions	4,700	4,700	1,883	(2,817)
Election expenditure	20,000	20,000	8,221	(11,779)
Total Administrative	2,723,383	2,800,227	2,555,307	(244,920)
Senior services:				
Salaries	94,924	94,924	89,390	(5,534)
Employees' benefits	35,602	35,602	33,701	(1,901)
Uniforms and allowances	200	200	167	(33)
Utilities	4,000	5,000	4,257	(743)
Building maintenance and supplies	7,850	7,850	6,640	(1,210)
Office supplies/printing	6,700	6,700	4,020	(2,680)

(Continued)

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
-EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2008

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
EXPENDITURES (Continued)				
General Government (Continued)				
Senior services (continued):				
Dues, travel, and training	500	500	434	(66)
Senior citizen luncheons	26,350	26,350	24,106	(2,244)
Total Senior Services	176,126	177,126	162,715	(14,411)
Media:				
Salaries	96,139	96,139	92,861	(3,278)
Employees' benefits	34,777	34,777	34,777	-
Equipment repairs	3,000	3,000	2,205	(795)
Office supplies/printing	2,000	2,000	464	(1,536)
Materials and supplies	2,500	2,500	1,318	(1,182)
Dues, travel, and training	3,000	3,000	567	(2,433)
Professional services	21,000	21,000	20,257	(743)
Organization dues	300	300	-	(300)
Total Media	162,716	162,716	152,449	(10,267)
Municipal court:				
Salaries	512,439	512,439	405,705	(106,734)
Employees' benefits	126,443	126,443	109,575	(16,868)
Office supplies/printing	5,000	5,000	4,992	(8)
Dues, travel, and training	6,250	6,250	3,476	(2,774)
Professional services	47,200	54,700	29,522	(25,178)
Total Municipal Court	697,332	704,832	553,270	(151,562)
Information technology:				
Salaries	75,071	75,071	72,371	(2,700)
Employees' benefits	33,452	33,452	31,816	(1,636)
Office supplies/printing	10,120	10,120	9,840	(280)
Materials and supplies	3,500	3,500	3,148	(352)
Dues, travel, and training	6,600	6,600	3,225	(3,375)
Professional services	13,500	13,500	6,625	(6,875)
Total Information Technology	142,243	142,243	127,025	(15,218)
Housing center:				
Salaries	48,537	48,537	44,065	(4,472)
Employees' benefits	21,868	21,868	18,825	(3,043)
Office supplies/printing	1,000	1,000	790	(210)
Dues, travel, and training	1,000	1,000	126	(874)
Total Housing Center	72,405	72,405	63,806	(8,599)
Total General Government	4,144,965	4,230,309	3,769,859	(460,450)

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2008

EXPENDITURES (Continued)	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Culture and Recreation				
Community and civic center:				
Salaries	1,349,801	1,349,801	1,173,305	(176,496)
Employees' benefits	278,927	278,927	258,075	(20,852)
Total Community And Civic Center	1,628,728	1,628,728	1,431,380	(197,348)
Recreation - theatre:				
Salaries	139,028	145,028	143,283	(1,745)
Employees' benefits	57,015	57,015	49,114	(7,901)
Uniforms and allowances	250	250	161	(89)
Building maintenance and supplies	7,600	7,600	7,408	(192)
Office supplies/printing	8,475	8,475	8,270	(205)
Dues, travel, and training	3,500	3,500	3,493	(7)
Theatre workshop	70,250	74,671	74,391	(280)
Publicity	7,650	7,650	7,309	(341)
Total Recreation - Theatre	293,768	304,189	293,429	(10,760)
Recreation - playground:				
Salaries	135,089	135,089	108,889	(26,200)
Employees' benefits	10,334	10,334	8,330	(2,004)
Total Recreation - Playground	145,423	145,423	117,219	(28,204)
Recreation - Bangert:				
Salaries	170,166	170,166	120,653	(49,513)
Employees' benefits	13,018	13,018	8,714	(4,304)
Total Recreation - Bangert	183,184	183,184	129,367	(53,817)
Recreation - parks:				
Salaries	828,482	828,482	802,331	(26,151)
Employees' benefits	200,724	200,724	188,627	(12,097)
Debt service	10,000	10,000	2,217	(7,783)
Uniforms and allowances	2,030	2,030	1,920	(110)
Postage and printing	1,500	1,500	70	(1,430)
Utilities	50,000	73,000	51,289	(21,711)
Gasoline	12,000	24,000	22,040	(1,960)
Merchandise	90,000	90,000	74,906	(15,094)
Building, maintenance, and supplies	32,000	32,000	23,837	(8,163)
Equipment repair	15,000	15,000	14,593	(407)
Chemicals	25,000	25,000	24,794	(206)
Office supplies and maintenance	2,500	2,500	2,479	(21)
Dues, travel, and training	6,655	6,655	3,816	(2,839)

(Continued)

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2008

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
EXPENDITURES (Continued)				
Culture and Recreation (Continued)				
Recreation - parks (continued):				
Publicity	20,000	20,000	19,952	(48)
Professional services	99,900	99,900	99,831	(69)
Total Recreation - Parks	1,395,791	1,430,791	1,332,702	(98,089)
Recreation - Koch Aquatic Center:				
Salaries	243,975	243,975	217,914	(26,061)
Employees' benefits	18,664	18,664	16,670	(1,994)
Total Recreation - Koch Aquatic Center	262,639	262,639	234,584	(28,055)
Total Culture And Recreation	3,909,533	3,954,954	3,538,681	(416,273)
Public Safety				
Police:				
Salaries	6,357,654	6,500,696	6,393,390	(107,306)
Employees' benefits	2,397,366	2,439,450	2,393,754	(45,696)
Uniforms and allowances	58,000	68,000	65,375	(2,625)
Telephone	102,500	102,500	79,667	(22,833)
Utilities	57,000	57,000	47,857	(9,143)
Gasoline	183,500	203,500	203,498	(2)
Building maintenance and supplies	39,500	39,500	36,606	(2,894)
Equipment repairs - vehicles	21,200	21,200	14,061	(7,139)
Office supplies/printing	29,000	29,000	27,140	(1,860)
Copy equipment - rental/supply	12,000	12,000	7,708	(4,292)
Communication service	242,300	236,050	226,978	(9,072)
Ammunition - armory supplies	7,000	7,000	6,321	(679)
Police forfeiture expenditures	-	109,000	103,196	(5,804)
Dues, travel, and training	40,000	46,250	46,011	(239)
Gasoline control account	45,000	45,000	(24,766)	(69,766)
Total Public Safety - Police	9,592,020	9,916,146	9,626,796	(289,350)
Public Works and Health				
Public works:				
Salaries	2,037,088	2,069,088	2,038,264	(30,824)
Employees' benefits	787,651	787,651	769,040	(18,611)
Uniforms and allowances	10,500	10,500	10,010	(490)
Utilities	81,000	84,500	83,155	(1,345)
Gasoline	55,000	62,500	60,267	(2,233)
Building maintenance and supplies	30,000	30,000	28,460	(1,540)
Office supplies/printing	20,000	20,000	18,932	(1,068)
Ice/snow removal	-	131,600	130,795	(805)
Equipment repairs - vehicles	95,000	95,000	91,038	(3,962)
Materials and supplies	100,000	100,000	84,795	(15,205)

(Continued)

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
-EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2008

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
EXPENDITURES (Continued)				
Public Works and Health (Continued)				
Public works (continued):				
Street markings	8,500	11,500	11,442	(58)
Dues, travel, and training	59,070	63,570	62,166	(1,404)
Professional services	79,700	104,700	99,398	(5,302)
Street lighting	490,000	482,500	419,670	(62,830)
Gasoline control account	25,000	22,000	15,343	(6,657)
Total Public Works	<u>3,878,509</u>	<u>4,075,109</u>	<u>3,922,775</u>	<u>(152,334)</u>
Health:				
Salaries	545,840	539,340	502,948	(36,392)
Employees' benefits	163,150	163,150	160,315	(2,835)
Uniforms and allowances	3,050	3,050	2,930	(120)
Utilities	8,000	8,000	6,648	(1,352)
Gasoline	41,500	48,000	43,585	(4,415)
Building maintenance and supplies	9,000	9,000	7,691	(1,309)
Office supplies/printing	3,000	4,000	4,000	-
Materials and supplies	33,000	45,000	41,883	(3,117)
Dues, travel, and training	1,500	500	484	(16)
Professional services	38,000	38,000	20,994	(17,006)
Total Health	<u>846,040</u>	<u>858,040</u>	<u>791,478</u>	<u>(66,562)</u>
Total Public Works And Health	<u>4,724,549</u>	<u>4,933,149</u>	<u>4,714,253</u>	<u>(218,896)</u>
Total Expenditures	<u>22,371,067</u>	<u>23,034,558</u>	<u>21,649,589</u>	<u>(1,384,969)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u><u>\$ (1,357,067)</u></u>	<u><u>(1,911,558)</u></u>	<u>394,476</u>	<u>2,306,034</u>
ADJUSTMENTS TO RECONCILE TO GAAP				
BASIS				
Revenue accrual adjustments			(20,420)	
Expenditure accrual adjustments			(35,272)	
Encumbrance adjustments			(56,597)	
			<u>(112,289)</u>	
NET CHANGE IN FUND BALANCE - GAAP				
BASIS			282,187	
FUND BALANCE, DECEMBER 1			<u>8,323,928</u>	
FUND BALANCE, NOVEMBER 30			<u><u>\$ 8,606,115</u></u>	

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - CAPITAL IMPROVEMENTS FUND - BUDGET BASIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
REVENUES				
Taxes	\$ 3,500,000	3,500,000	3,263,831	(236,169)
Investment income	50,000	50,000	46,996	(3,004)
Intergovernmental	148,000	148,000	32,197	(115,803)
Total Revenues	3,698,000	3,698,000	3,343,024	(354,976)
 EXPENDITURES				
Capital outlay	2,990,100	3,289,500	3,072,329	(217,171)
 REVENUES OVER EXPENDI- TURES	707,900	408,500	270,695	(137,805)
 OTHER FINANCING USES				
Transfers out	(778,000)	(778,000)	(767,099)	(10,901)
 REVENUES UNDER EXPENDI- TURES AND OTHER FINANCING USES	<u>\$ (70,100)</u>	<u>(369,500)</u>	<u>(496,404)</u>	<u>(126,904)</u>
 ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments			13,015	
Expenditure accrual adjustments			(50,452)	
Encumbrance adjustments			503,432	
			<u>465,995</u>	
 NET CHANGE IN FUND BALANCE - GAAP BASIS			(30,409)	
 FUND BALANCE, DECEMBER 1			<u>977,879</u>	
 FUND BALANCE, NOVEM- BER 30			<u>\$ 947,470</u>	

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - PARK IMPROVEMENT FUND - BUDGET BASIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,100,000	3,100,000	3,101,809	1,809
Investment income	50,000	50,000	31,989	(18,011)
Intergovernmental	-	-	2,826	2,826
Total Revenues	<u>3,150,000</u>	<u>3,150,000</u>	<u>3,136,624</u>	<u>(13,376)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>2,773,467</u>	<u>3,326,859</u>	<u>2,982,033</u>	<u>(344,826)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	376,533	(176,859)	154,591	331,450
OTHER FINANCING USES				
Transfers out	<u>(601,000)</u>	<u>(578,600)</u>	<u>(578,554)</u>	<u>(46)</u>
REVENUES UNDER EXPENDI- TURES AND OTHER FINANCING USES	<u>\$ (224,467)</u>	<u>(755,459)</u>	<u>(423,963)</u>	<u>331,496</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS				
Revenue accrual adjustments			463,734	
Expenditure accrual adjustments			(98,694)	
Encumbrance adjustments			<u>270,736</u>	
			<u>635,776</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS			211,813	
FUND BALANCE, DECEMBER 1			<u>1,120,190</u>	
FUND BALANCE, NOVEM- BER 30			<u>\$ 1,332,003</u>	

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - SEWER LATERAL FUND - BUDGET BASIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Taxes	\$ 890,000	894,547	4,547
Investment income	10,000	34,088	24,088
Total Revenues	900,000	928,635	28,635
EXPENDITURES			
Current:			
Public works	756,306	681,529	(74,777)
REVENUES OVER EXPENDITURES	<u>\$ 143,694</u>	<u>247,106</u>	<u>103,412</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
Revenue accrual adjustments		100,300	
Expenditure accrual adjustments		(72,993)	
Encumbrance adjustments		80,937	
		<u>108,244</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS		355,350	
FUND BALANCE, DECEMBER 1		<u>494,820</u>	
FUND BALANCE, NOVEMBER 30		<u>\$ 850,170</u>	

CITY OF FLORISSANT, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED NOVEMBER 30, 2008

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

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF FLORISSANT, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

CITY OF FLORISSANT, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
NOVEMBER 30, 2008

	Special Revenue Funds				Total	
	Community Development Fund	Home Equity Assurance Fund	Koch TIF Fund	Debt Service Fund	Nonmajor Governmental Funds	
ASSETS						
Cash	\$ 1,007	40,940	-	-	-	41,947
Investments	-	100,000	357,477	-	-	457,477
Restricted assets:						
Investments	-	-	-	1,341,871	-	1,341,871
Receivables:						
Taxes	-	-	77,515	-	-	77,515
Interest	-	180	-	-	-	180
Total Assets	\$ 1,007	141,120	434,992	1,341,871	-	1,918,990

LIABILITIES AND FUND BALANCES (DEFICIT)

Liabilities						
Accounts payable	\$ 1,342	-	-	-	-	1,342
Accrued payroll	6,907	-	-	-	-	6,907
Due to other funds	417	-	-	-	-	417
Total Liabilities	8,666	-	-	-	-	8,666
Fund Balances (Deficit)						
Reserved for:						
Encumbrances	16,575	-	-	-	-	16,575
Debt service	-	-	-	1,341,871	-	1,341,871
Unreserved, reported in:						
Special Revenue Funds	(24,234)	141,120	434,992	-	-	551,878
Total Fund Balances (Deficit)	(7,659)	141,120	434,992	1,341,871	-	1,910,324
Total Liabilities And Fund Balances (Deficit)	\$ 1,007	141,120	434,992	1,341,871	-	1,918,990

CITY OF FLORISSANT, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2008

	Special Revenue Funds				Total	
	Community Development Fund	Home Equity Assurance Fund	Koch TIF Fund	Debt Service Fund	Nonmajor Governmental Funds	
REVENUES						
Taxes	\$ -	-	400,387	-	400,387	
Other	-	30	-	-	30	
Investment income	-	4,859	6,209	67,279	78,347	
Intergovernmental	352,034	-	-	-	352,034	
Total Revenues	352,034	4,889	406,596	67,279	830,798	
EXPENDITURES						
Current:						
General government	347,206	6	1,500	-	348,712	
Debt service:						
Principal	-	-	130,000	940,000	1,070,000	
Interest	-	-	157,107	439,550	596,657	
Total Expenditures	347,206	6	288,607	1,379,550	2,015,369	
REVENUES OVER (UNDER) EXPENDITURES	4,828	4,883	117,989	(1,312,271)	(1,184,571)	
OTHER FINANCING SOURCES						
Transfers in	-	-	-	1,345,653	1,345,653	
NET CHANGE IN FUND BALANCES	4,828	4,883	117,989	33,382	161,082	
FUND BALANCES (DEFICIT), DECEMBER 1	(12,487)	136,237	317,003	1,308,489	1,749,242	
FUND BALANCES (DEFICIT), NOVEMBER 30	\$ (7,659)	141,120	434,992	1,341,871	1,910,324	

CITY OF FLORISSANT, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - HOME EQUITY ASSURANCE FUND - BUDGET BASIS
FOR THE YEAR ENDED NOVEMBER 30, 2008

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
Other	\$ -	30	30
Investment income	1,000	4,859	3,859
Total Revenues	<u>1,000</u>	<u>4,889</u>	<u>3,889</u>
 EXPENDITURES			
Current:			
General government	<u>1,000</u>	<u>6</u>	<u>(994)</u>
 NET CHANGE IN FUND BALANCES	 <u><u>\$ -</u></u>	 4,883	 <u><u>4,883</u></u>
 FUND BALANCE, DECEMBER 1		 <u>136,237</u>	
 FUND BALANCE, NOVEMBER 30		 <u><u>\$ 141,120</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 an individual, private organizations, other governments, and/or other funds.

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

CITY OF FLORISSANT MISSOURI
OTHER SUPPLEMENTAL INFORMATION - STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
NOVEMBER 30, 2008

	Balance November 30 2007	Additions	Reductions	Balance November 30 2008
ASSETS				
Cash	\$ 1,665,705	-	230,034	1,435,671
Investments	350,000	-	350,000	-
Total Assets	<u>\$ 2,015,705</u>	<u>-</u>	<u>580,034</u>	<u>1,435,671</u>
LIABILITIES				
Due to others:				
Court bonds	\$ 786,360	-	2,215	784,145
Construction deposits	128,545	20,879	-	149,424
Other deposits	875,168	-	543,794	331,374
	<u>1,790,073</u>	<u>20,879</u>	<u>546,009</u>	<u>1,264,943</u>
Due to other funds	225,632	-	54,904	170,728
Total Liabilities	<u>\$ 2,015,705</u>	<u>20,879</u>	<u>600,913</u>	<u>1,435,671</u>

CITY OF FLORISSANT, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED NOVEMBER 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
U.S. Department of Housing and Urban Development:			
Community Development Block Grant	14.218	-	<u>\$ 352,034</u>
U.S. Department of Transportation:			
Missouri Department of Transportation:			
Highway Planning and Construction	20.205	STP-5408(602)	34,461
Highway Planning and Construction	20.205	BRM-4900(615)	11,745
Highway Safety	20.600	08-PT-02-38/50	9,541
Highway Safety	20.600	09-K8-03-38	769
University of Central Missouri:			
Highway Safety	20.600	LKK032	1,009
Highway Safety	20.600	LKK033	990
			<u>58,514</u>
U.S. Department of Homeland Security:			
Missouri Emergency Management Agency:			
Emergency Management Performance Grant	97.042	-	<u>15,000</u>
U.S. Department of Justice:			
Bulletproof Vest Program	16.607	-	<u>4,579</u>
Total Awards Expended			<u><u>\$ 430,127</u></u>

INTERNAL CONTROL AND COMPLIANCE SECTION



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

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

March 16, 2009

The Honorable Mayor and City Council
CITY OF FLORISSANT, MISSOURI

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 16, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

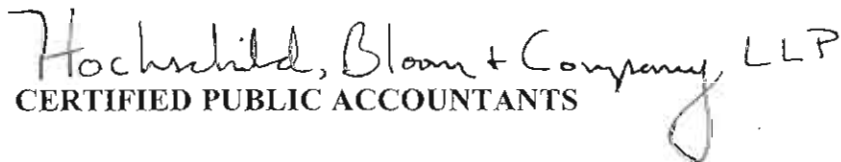
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the City in a separate letter dated March 16, 2009.

This report is intended solely for the information and use of City management and the City Council, and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS