



City of Florissant

2011 Simplified Annual Financial Report



This Simplified Annual Financial Report represents an effort to keep residents of the City of Florissant informed on the basic financial affairs of the City. The information contained in this report is taken from the City's annual audited Financial Report for the year ended November 30, 2011. The complete report is available on the city's web site.

I hope you will find this informative and useful. Your comments and suggestions are welcome.

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FINANCIAL ACTIVITY STATEMENT FOR THE YEARS ENDED NOVEMBER 30, 2007 TO 2011

REVENUES:	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Taxes	\$ 20,065,150	\$ 23,417,586	\$ 21,342,196	\$ 22,998,993	\$ 23,937,055
Licenses and Permits	1,281,834	1,306,077	1,231,113	1,290,617	1,198,575
Charges for Services	1,776,420	1,611,522	1,684,900	1,732,100	1,618,008
Other	971,462	923,093	1,171,837	1,944,061	1,366,523
Investment Income	675,724	463,488	195,164	107,275	99,232
Fines & Forfeitures	2,476,778	2,115,308	1,961,675	3,270,692	3,242,726
Intergovernmental	<u>1,410,657</u>	<u>1,002,701</u>	<u>842,912</u>	<u>1,815,990</u>	<u>2,456,300</u>
Total Revenues	28,658,025	30,839,775	28,429,797	33,159,728	33,918,419
EXPENDITURES BY FUNCTION					
General Government	3,941,635	4,147,104	4,146,718	4,934,377	4,823,360
Culture & Recreation	5,624,381	5,672,696	5,923,225	5,368,070	5,381,665
Public Safety	8,985,241	9,630,268	10,234,946	9,831,444	10,249,119
Public Works & Health	5,037,788	5,341,838	5,408,501	4,485,819	4,793,677
Capital Outlay	4,147,779	3,331,209	4,008,287	3,622,697	4,793,677
Debt Service	<u>1,541,605</u>	<u>1,736,637</u>	<u>1,849,962</u>	<u>1,656,661</u>	<u>3,014,019</u>
Total Expenditures	29,278,429	29,859,752	31,571,639	29,899,068	32,804,021
Issuance of Long-term Debt	0	0	0	0	7,200,000
Refunding of Long-term Debt less Premium on Issuance	0	0	0	0	(5,474,200)
Proceeds from Capital Lease	0	0	0	370,715	0
Net Change in Fund Balance	\$ (620,404)	\$ 980,023	\$ (3,141,842)	\$ 3,631,375	\$ 2,840,198

Includes general, capital, park, sewer lateral, debt service and other minor funds.

Total governmental fund balances increased \$2,840,198. \$1,725,800 of this increase is due to the issuance of long-term debt. The General Fund balance increased \$1,553,637 to \$10,896,403, the Capital Improvement Fund balance increased \$1,547,424 to \$2,454,808, the Park Improvement Fund balance increased \$493,241 to \$904,901, and the Sewer Lateral Fund balance increased \$436,710 to \$2,053,610. The Capital Improvement Fund balance includes \$1,567,770 being held in trust for the projects related to the 2011 COPS bond issue.

Total revenues increased \$758,691 or 2.3%. Total expenditures increased \$2,904,953 or 9.7% led by Public Safety with an increase of \$417,675 or 4.2%, Public Works & Health with an increase of \$307,858 or 6.9% and Capital Outlay with an increase of \$1,170,980 or 32.3% which includes the Lindbergh improvement grant project - Phase II at just under \$1,000,000.



Taxes: 70.6%

Includes the 1% general sales tax, 1/2% capital sales tax, 1/2% park sales tax, 7% utility tax, cigarette tax, gasoline tax, and the road and bridge tax.

Investment Income: 0.3%

Revenue earned by investing city funds.

Charges for Services: 4.8%

Revenue from the use of park facilities, recreational programs and activities. Facilities include two civic centers, three pools, an ice rink, golf course, tennis courts, theater, park pavilions, ball fields, and class and league fees.

Other: 4.0%

Includes cable TV franchise fees, land rental fees, police reports, property maintenance payments, and many other sources.



Licenses and Permits: 3.5%

Revenue generated by business licenses, liquor licenses, building permits, residential and commercial occupancy permits, inspection permits, sign permits and other permits. The primary revenue source is the business license.

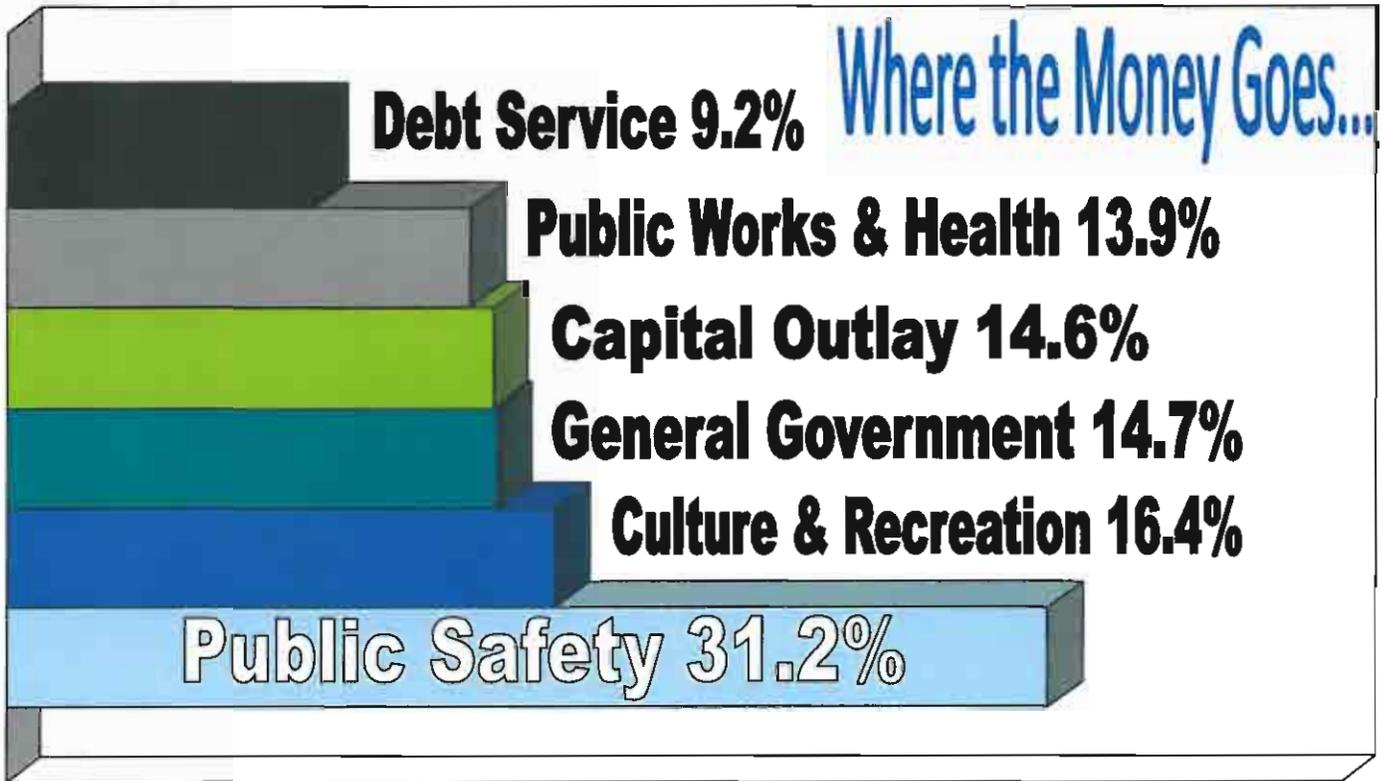


Intergovernmental Revenue: 7.2%

Grants and reimbursements from the Federal government, the state of Missouri, local school districts, the municipal parks grant commission, and other sources.

Fines and Forfeitures: 9.6%

Revenue from fines and costs collected in the municipal court.



General Government: 14.7%

Expenditures relating to the City Council, City Clerk, Mayor's office, finance department, purchasing, municipal court, insurance coverage, economic development, and other citywide functions.

Culture & Recreation: 16.4%

Parks and recreation activities including the maintenance of parks and park facilities, programs, classes, sports leagues, cultural opportunities, and other activities.

Public Works & Health: 13.9%



Expenditures to provide services such as maintenance of streets and bridges, engineering, recycling, sewer lateral program, maintenance of housing stock, animal control,

in-town bus service for seniors, property maintenance for derelict or abandoned properties, and maintenance of city buildings.

Public Safety: 31.2%

Expenditures for the police department include administration, investigation, patrol, corrections, dispatching, and physical plant and properties.

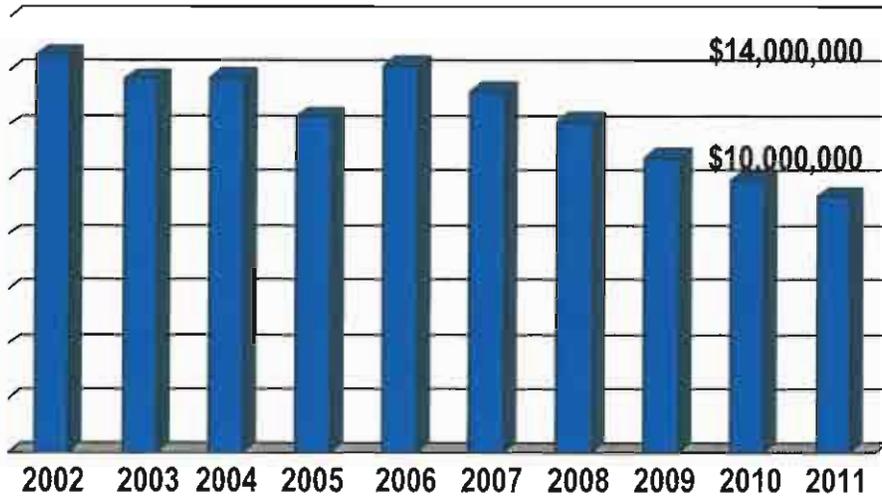


Capital Outlay: 14.6%

Accounts for the financial resources used for the purchase of capital items and the construction, reconstruction, maintenance, or acquisition of major capital facilities, including capital projects.

Debt Service: 9.2%

Includes principal and interest payments for the 2011 Certificates of Participation bonds, the Koch Plaza TIF project in 2006 and the capital lease for golf carts in 2010.



Long-term Debt 2002-2011

COPS	\$7,054,018
TIF Bonds	1,249,000
Capital Lease	281,024
Absences	803,543
Total Debt	\$9,387,585

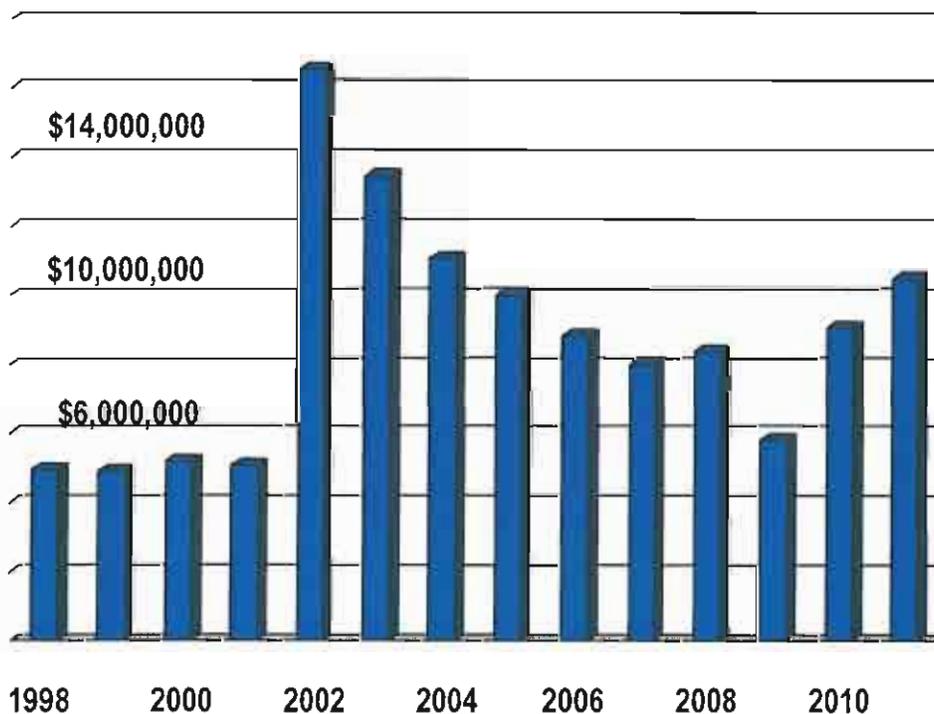
2011 Certificates of Participation (COPS) - Issued to refinance the 2002 COPS at lower interest rates and to renovate HVAC systems in various city buildings. Debt matures in 2022.

Compensated Absences - Reflects the outstanding liability for the value of accumulated vacation leave. Vacation leave balances must be used during the normal course of employment.

2006 Tax Increment Financing (TIF) Bonds - Funding for infrastructure improvements related to the Koch Plaza redevelopment. These bonds do not constitute a general obligation of the city. Debt matures in 2028.

2010 Capital Lease Payable - Funds used to acquire a golf cart fleet. Debt matures in 2015.

General Fund Unassigned Fund Balance



The sale of the water distribution system for \$14,500,000 dramatically increased reserve balances in 2002.

The 2011 unassigned general fund balance is \$10,431,262.

2011 Discussion and Analysis

The City continues to deal with substantial economic uncertainties. Unemployment is at historic highs, interest rates are at historic lows, and home values continue to slide. However, 2011 did show signs of improvement. Sales tax, the City's primary revenue source, actually improved from 2010, increasing by 5.6% or \$378,491. This is the first time since 2007 that sales tax collections have increased over the prior year. While this is good news, in context it must be noted that sales tax collections were still \$355,109 under the 2007 peak.



Gasoline tax, which grew \$105,588 or 6.4% in 2010, declined slightly, down 1.6% or \$28,363. This was better than the results from 2008 and 2009 but \$61,078 under the peak in 2006.

The utility license tax was very strong, increasing 23.4% or \$1,339,638 over 2010. This was helped by a full twelve months at the 7% rate compared to ten months in 2010. A very hot



and dry summer didn't hurt either. The cell phone settlements also helped increased revenue.

The City continued to receive monthly distributions from the settlement with the Missouri Department of Revenue resulting from their failure to properly adjust the City's population for numerous annexations beginning in 2002. The city will ultimately receive about \$1,132,230 from the settlement and the adjustment to the City's population in August, 2009.

In May, long-time Municipal Judge Tim Kelly passed away after a brief illness. Judge Kelly was first elected as Judge in 1969 and was ultimately re-elected nine times, serving as Judge for 32 years. Judge Kelly's service to the City and to the community will be missed.



In 1998 the City Council passed an ordinance which created the Home Equity Assurance Program. This program was created to insure single-family residences in the City of Florissant against the possibility of economic loss and to show that the city stood behind its residential housing stock. A participant in this program would be guaranteed that if they stayed in their home for at least five years after enrolling in the program they would receive no less than the appraised value of their home at the time they enrolled in the program.

In 2011, after years of steep declines in housing prices, the program had actually flipped upside down and was doing the exact opposite of what it was designed for. It was giving participants a feeling that they could sell their home for any price knowing that the city had guaranteed to make up the difference between what they sold it for and what it had been appraised for prior to the collapse of the housing bubble. Instead of stabilizing neighborhoods it was actually creating instability in the residential neighborhoods. In response, the program was terminated.



This discussion and analysis was taken from the *Management's Discussion and Analysis (MD&A)* located in the front of the audited financial report. Further information on the topics highlighted above, as well as additional information, can be found in the MD&A.