

# City of Florissant

## 2017 Simplified Annual Financial Report



**Blue Spring - North Fork River**

This Simplified Annual Financial Report contains information gleaned from the City's annual audited Financial Report. It is designed to provide readers with basic financial information necessary to gain a better understanding of the financial condition of the City. The complete Financial Report is available for review on the Finance department page of the city's web site.

I trust you will find the informative contained herein both easily understandable and illuminating of the city's financial condition.

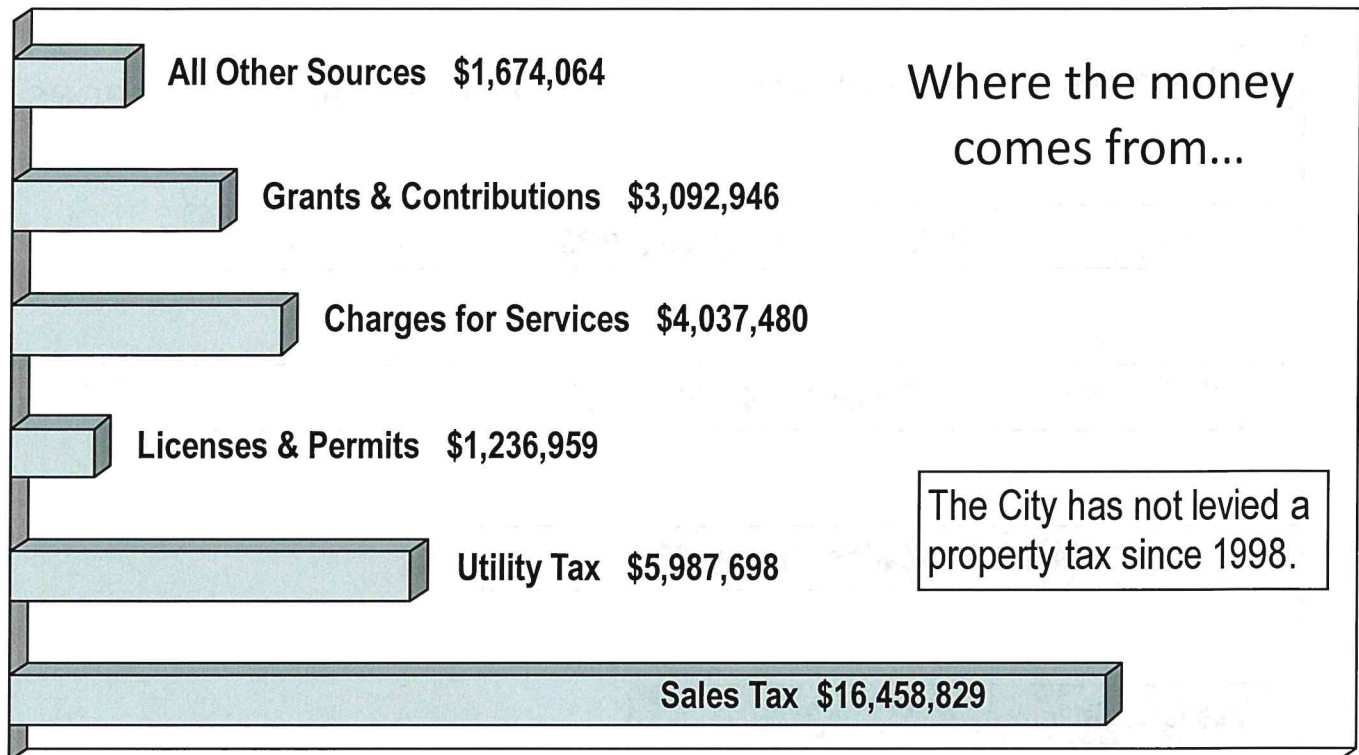
*Randal J. McDaniel*  
Director of Finance

**FINANCIAL ACTIVITY STATEMENT  
FOR THE YEARS ENDED NOVEMBER 30, 2013 TO 2017  
ALL GOVERNMENTAL FUND TYPES\***

REVENUES:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Taxes	\$ 22,911,348	\$ 24,294,377	\$ 24,172,666	\$ 24,798,182	\$ 25,315,867
Licenses and Permits	1,245,418	1,491,579	1,342,106	1,472,481	1,859,380
Charges for Services	1,481,038	1,512,117	1,405,523	1,495,745	1,612,563
Other	1,460,865	1,383,249	1,278,242	1,326,040	1,359,960
Investment Income	20,483	17,707	46,462	57,260	103,741
Fines & Forfeitures	2,966,669	2,491,846	2,020,922	1,374,288	1,268,713
Intergovernmental	<u>800,746</u>	<u>663,652</u>	<u>1,180,573</u>	<u>656,893</u>	<u>853,278</u>
Total Revenues	30,886,567	31,854,527	31,446,494	31,180,889	32,373,502
<b>EXPENDITURES BY FUNCTION</b>					
General Government	4,306,123	4,859,389	4,730,623	4,767,064	5,499,329
Culture & Recreation	5,605,305	5,908,821	6,070,746	5,933,186	5,983,400
Public Safety	10,256,505	10,434,556	10,618,205	10,312,786	10,708,670
Public Works & Health	4,561,637	4,698,018	5,138,827	5,121,692	5,181,447
Economic Development	0	0	378,042	0	0
Capital Outlay	4,623,349	4,444,953	5,755,227	7,742,899	7,156,253
Debt Service	<u>1,336,193</u>	<u>1,525,267</u>	<u>1,028,501</u>	<u>933,025</u>	<u>1,806,524</u>
Total Expenditures	30,689,112	31,871,004	33,720,171	34,810,652	36,335,623
Issuance of Long-term Debt	0	0	0	0	8,030,000
Premium on Long-term Debt	0	0	0	0	355,287
Insurance Proceeds	0	0	77,265	263,113	109,331
Net Change in Fund Balance	<u>197,455</u>	<u>(16,477)</u>	<u>(2,196,412)</u>	<u>(3,366,650)</u>	<u>4,532,497</u>
Fund Balance	\$ 18,548,698	\$ 18,532,221	\$ 16,335,809	\$ 12,969,159	\$ 17,501,656

\*Includes general, capital, park, sewer lateral, court building, and other governmental funds.

Total governmental fund balance increased \$4,532,497. The General Fund balance decreased \$1,282,886 to \$10,245,622, the Capital Improvement Fund balance increased \$1,695,136 to \$3,366,844, the Park Improvement Fund balance increased \$3,710,506 to \$1,777,739 due reimbursement of expenses incurred for the HVAC upgrades to the James J. Eagan Civic Center from the proceeds of Special Obligation Bond proceeds. Taxes, which includes cigarette, gasoline, road & bridge, sales, and utility taxes, accounted for 78.2% of all revenues. Public Safety continues to be the largest expenditure by function with 29.5% of total expenditures.



The City has not levied a property tax since 1998.

Sales Tax: 50.7%

Includes the 1% general sales tax, 1/2% capital improvement sales tax, 1/2% park improvement sales tax, 1/4% street sales tax, and 1/2% public safety sales tax.

Utility Tax: 18.4%

The 7% utility license tax on electric, gas, telephone, and water.

Charges for Services: 12.4%

Revenue from culture and recreation, public safety, and public works and health. Culture and recreation represents fees and charges levied for the use of park facilities, recreational programs, activities, and golf course fees. Park facilities include two civic centers, three pools, an ice rink, golf course, tennis courts, theater, park pavilions, ball fields, and class and league fees. Public safety includes court fines and forfeitures. Public works and health includes property inspection fees, occupation and minimum housing fees, and building permits.

Grants and Contributions: 9.5%

Grants are funds received from various organizations to reimburse the city for the purchase of property, construction of facilities or infrastructure, remodeling or expansion of facilities, or the purchase of equipment. The city must front the money and will be reimbursed for grant related expenditures. Contributions represent revenues received that are subject to performance conditions previously specified. The city must meet certain conditions restricting the expenditures of such funds.

Licenses & Permits: 3.8%

Revenue generated by business licenses, liquor licenses, sign permits, and various other permits. The primary revenue source is the business license.

All Other Sources: 5.2%

Includes cable TV franchise fees, land rental fees, police reports, property maintenance payments, cigarette tax, road and bridge tax, investment income, and other sources.

\*Source: Statement of Activities

Interest on Long-term Debt \$551,206

## Where the Money goes...

Public Works & Health \$9,759,334

Public Safety \$11,168,744

Culture & Recreation \$7,210,566

General Government \$5,858,377

### General Government: 17.0%

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

### Public Works & Health: 28.2%

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.

### Culture & Recreation: 20.9%

Expenditures related to parks and recreation activities including the maintenance of parks and park facilities, programs, classes, sports leagues, cultural opportunities, theater, and other activities.

\*Source: Statement of Activities

### Public Safety: 32.3%

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

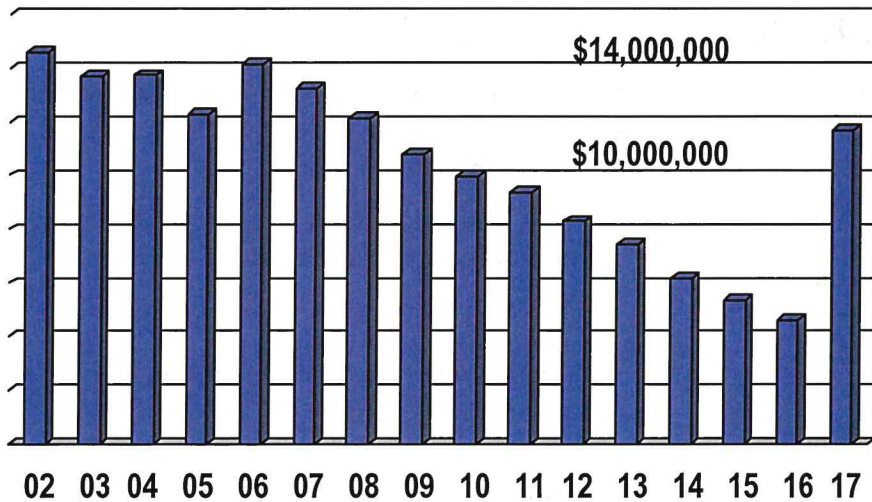
### Interest on Long-term Debt: 1.6%

Interest payments for the 2011 Certificates of Participation bond issue and the 2006 Koch Plaza TIF project bond issue.

### Capital Assets, Net of Depreciation

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Land	5,212,268	5,327,957	5,351,457
Construction in Progress	355,669	4,310,541	2,545,381
Buildings	5,145,431	4,934,849	4,669,809
Improvements	9,676,223	9,354,134	12,653,267
Infrastructure	38,555,020	36,926,769	36,598,387
Vehicles & Equipment	<u>3,540,135</u>	<u>3,608,806</u>	<u>3,509,321</u>
Total Capital Assets	62,484,746	64,463,056	65,327,622

Source: Note C - Notes to Financial Statements



Long-term Debt 2017	
COPS	\$2,621,190
Capital Lease	0
SOBS	7,923,661
Absences	1,151,740
<b>Total Debt</b>	<b>\$11,696,591</b>

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

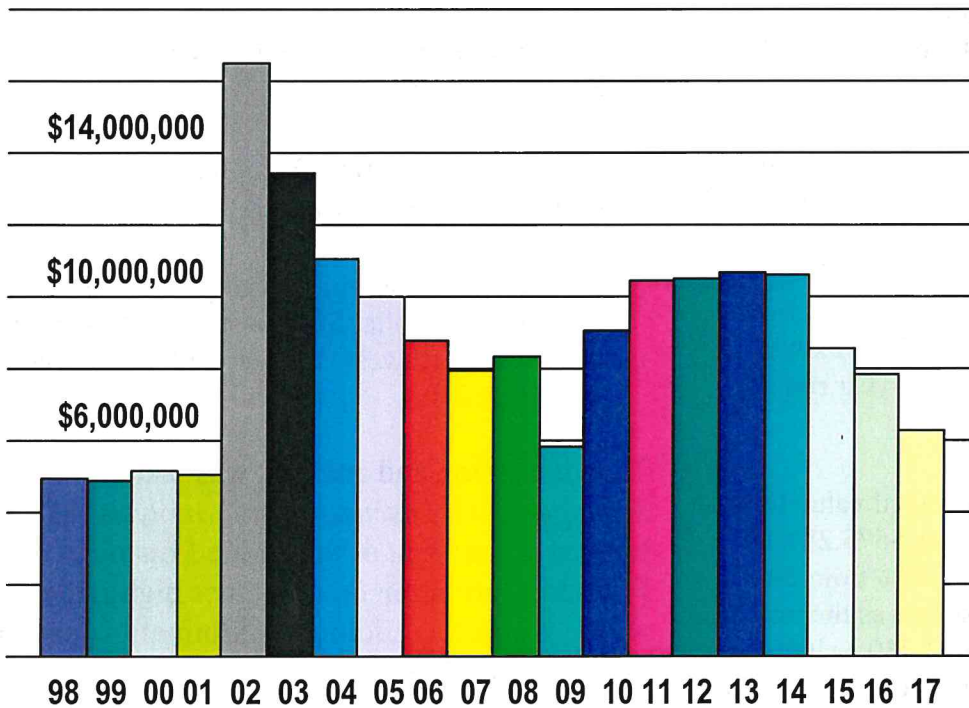
SOBS: 2016 Special Obligation Bonds - Funding for HVAC improvements to the Eagan Civic Center and renovation of the new Justice Center. Debt matures in 2031.

Absences: Reflects the outstanding liability for the value of accumulated vacation and comp time leave. Leave balances must be used during the normal course of employment.

Capital Lease: The city does not currently enter into a capital lease arrangement. Previously a capital lease had been utilized to acquire a golf cart fleet.

Source: Note D - Notes to Financial Statements

## General Fund Unassigned Fund Balance



Municipal Court Traffic fines and court costs as a percent of general operating revenue was 4.3963%. This is well below the 12.5% threshold stipulated in RSMo 479.359.2.

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

The 2017 unassigned general fund balance is \$6,272,270.

Source: Balance Sheet - Governmental Funds

# 2017 Discussion and Analysis

General Fund revenue was \$33,337 more than budgeted revenue. One of the primary contributors to the performance in revenue was utility license tax revenue which finished at \$5,983,078 or \$183,078 over the budget of \$5,800,000. Electric increased \$1,990, gas increased \$81,270, water increased \$41,409, telephone decreased \$195,887, and the City recognized \$281,298 of protested tax received in previous years. Telephone utility tax continued a long-term downward spiral with receipts decreasing \$80,850 in 2012, \$134,823 in 2013, \$132,184 in 2014, \$210,133 in 2015, \$104,438 in 2016, and \$195,887 in 2017 for a total of \$858,315 during this six year period. Increasing cell phone service and shrinking landline service have combined to rapidly reduce the telephone utility tax as a revenue source. In addition, the difficulty in getting cell phone companies to comply with utility license tax regulations has compounded the situation.

Municipal court revenue was down \$187,634 which reflects the aftermath of the civil unrest in the City of Ferguson and the impact that has had on law enforcement and the court system in general. The Missouri State Legislature also stepped in to place additional restrictions, limits and reporting requirements on municipal court systems and policing statewide.

Sales tax revenue was down \$413,940 which broke a streak of four years in a row of revenue growth. Sales tax collections in the Park Improvement fund dropped \$157,574 breaking a streak of seven consecutive years of positive growth. Capital Improvement Sales Tax was down \$192,245 which broke a six year run of steadily increasing receipts.

The City's 2017 combined assessed value for real estate and personal property was \$575,288,147, which was up \$39,054,297 or 7.3% from 2016. The assessed value of real estate was the impetus behind the increase, up \$39,923,730 or 9.0%. Personal property assessments were down. The City does not levy a property tax so there is no direct revenue gain to the City resulting from this increase in assessed value.

The City continues to aggressively pursue redevelopment opportunities throughout the City. Recent developments include the following:

- *First Collinsville Bank* is under construction on New Halls Ferry Road near the Shoppes at Cross Keys.
- *Regions Bank* is under construction on Lindbergh near Charbonier Road.
- *Raising Canes Chicken* has opened a restaurant on Lindbergh Boulevard near St. Ferdinand.
- *Popeye's Restaurant* has opened a restaurant on Lindbergh Boulevard near St. Ferdinand.
- *U-Haul Storage* is under construction on Lindbergh Boulevard.
- *Dunkin Donut* has opened a new building Lindbergh Boulevard across from Schnuck's.
- *Total Access Urgent Care* has opened on Lindbergh Boulevard at St. Jean.
- *D'Vita Dialysis* has opened a facility in the Shoppes at Cross Keys.
- The City owned Train Depot has a new tenant, *Mommy's de Sign Farm*.
- BJC Hospitals has announced plans to develop a multi-million dollar *Siteman Cancer Center* on the Christian Northwest Campus at Graham Road near Hwy 270.

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.