
**CITY OF FLORISSANT,
MISSOURI**

**Financial Report
(Audited)**

Year Ended November 30, 2002

CITY OF FLORISSANT, MISSOURI
FINANCIAL REPORT

	Page
INDEPENDENT AUDITORS' REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet - All Fund Types and Account Groups and Discretely Presented Component Unit	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Unit	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types for Which Official Budgets Have Been Adopted	4
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - Enterprise Funds	5
Combined Statement of Cash Flows - Enterprise Funds	6
Statement of Changes in Plan Net Assets - Fiduciary Fund Type - Pension Trust Fund	7
Notes to Financial Statements	8
SUPPLEMENTAL INFORMATION	
Combining and Individual Fund Financial Statements and Schedules:	
General Fund:	
Schedule of Revenues - Budget and Actual	25
Schedule of Expenditures - Budget and Actual	26
Special Revenue Funds:	
Combining Balance Sheet	30
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)	31
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Budget and Actual - For Which Official Budgets Have Been Adopted	32
Enterprise Funds:	
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	33
Combining Statement of Cash Flows	34
Fiduciary Fund Types:	
Trust and Agency Funds - Combining Balance Sheet	35
Agency Funds - Statement of Changes in Assets and Liabilities	36
SINGLE AUDIT SECTION	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	38
Schedule of Expenditures of Federal Awards	40
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	41
Schedule of Findings and Questioned Costs and Summary Schedule of Prior Audit Findings	43



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

INDEPENDENT AUDITORS' REPORT

January 27, 2003

Honorable Mayor and City Council
CITY OF FLORISSANT, MISSOURI

We have audited the accompanying general purpose financial statements of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of November 30, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 27, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As discussed in Note A to the general purpose financial statements, in 2002 the City changed its method of accounting for nonexchange revenues.

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

Hochschild, Bloom & Company LLP
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CITY OF FLORISSANT, MISSOURI
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS AND DISCREETELY PRESENTED COMPONENT UNIT
NOVEMBER 30, 2002

	Governmental Fund Types							Proprietary Fund Types			Fiduciary Fund Types			Account Groups			Totals		Totals (Memorandum Only) Reporting Entity		
	General	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Trust Agency	Pension	General Fixed Assets	General	Long-Term Debt	Primary Government	Industrial Development Authority	Totals (Memorandum Only)		Totals (Memorandum Only) Reporting Entity						
													Primary Government	Industrial Development Authority							
ASSETS AND OTHER DEBITS																					
Cash	\$ 1,367,327	1,418,331	48,115	23,771	62,431	660,321	-	-	-	-	3,580,296	32,230	3,612,526		32,508,309		3,612,526		32,508,309		
Investments	14,997,873	1,403,966	6,965,318	1,268,736	-	7,872,416	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables:																					
Taxes	1,589,660	876,976	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	175,392	8,784	24,384	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intergovernmental	-	5,134	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	52,849	-	-	-	22,574	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Due from other funds	1,180,981	26,636	-	-	3,203,396	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed assets	-	-	-	-	-	-	22,623,234	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	-	-	13,281,059	-	13,281,059	-	-	-	-	-	-	13,281,059	
Amount available in Debt Service Fund	-	-	-	-	-	-	-	-	-	-	1,292,507	-	1,292,507	-	-	-	-	-	-	1,292,507	
Total Assets And Other Debits	\$ 19,364,082	3,739,827	7,037,817	1,292,507	3,288,401	8,532,737	22,623,234	14,573,566	80,452,171	80,452,171	32,230	80,484,401	80,484,401		80,484,401		80,484,401		80,484,401		
LIABILITIES, EQUITY AND OTHER CREDITS																					
Liabilities																					
Accounts payable	\$ 730,829	859,335	203,221	-	38,130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Compensated absences and accrued payroll	998,967	5,601	-	-	33,893	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Due to others	-	-	-	-	-	583,289	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Due to other funds	-	929,584	124,365	-	26,636	127,032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pension contribution payable	-	-	-	-	-	-	-	543,566	-	-	-	-	543,566	-	-	-	-	-	-	-	
Long-term debt - other	-	-	-	-	-	-	-	14,030,000	-	-	-	-	14,030,000	-	-	-	-	-	-	-	
Total Liabilities	1,729,796	1,794,520	327,586	-	98,659	710,321	-	14,573,566	19,234,448	19,234,448	-	19,234,448	19,234,448		19,234,448		19,234,448		19,234,448		
Equity And Other Credits																					
Investment in general fixed assets	-	-	-	-	-	-	22,623,234	-	-	-	-	-	22,623,234	-	-	-	-	-	-	-	
Contributed capital	-	-	-	-	27,615	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Retained earnings	-	-	-	-	3,162,127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fund balances:																					
Reserved for encumbrances	1,147,976	1,165,175	937,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reserved for employees' retirement system	-	-	-	-	-	7,822,416	-	-	-	-	-	-	7,822,416	-	-	-	-	-	-	-	
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Designated for future capital items	10,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unreserved - undesignated	6,486,310	780,132	5,772,731	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Equity And Other Credits	17,634,286	1,945,307	6,710,231	1,292,507	3,189,742	7,822,416	22,623,234	14,573,566	80,452,171	80,452,171	32,230	80,484,401	80,484,401		80,484,401		80,484,401		80,484,401		

See notes to financial statements

CITY OF FLORISSANT, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED NOVEMBER 30, 2002

	Governmental Fund Types				Totals	
	General	Special Revenue	Capital Projects	Debt Service	(Memorandum Only) Primary Government	(Memorandum Only) Reporting Entity
REVENUES						
Taxes	\$ 10,397,034	4,890,441	-	-	15,287,475	15,287,475
Licenses and permits	991,785	-	-	-	991,785	991,785
Charges for services	1,157,259	-	-	-	1,157,259	1,157,259
Other	993,056	2,097	-	-	995,153	26,080
Investment income	531,152	89,797	37,852	55,587	714,388	676
Fines and forfeitures	1,384,396	-	-	-	1,384,396	-
Intragovernmental	117,864	523,667	-	-	641,531	-
Total Revenues	15,572,546	5,506,002	37,852	55,587	21,171,987	21,198,743
EXPENDITURES						
Current:						
Economic development	64,715	-	-	-	64,715	64,715
Housing center	67,688	-	-	-	67,688	67,688
Legislative	134,868	-	-	-	134,868	134,868
Senior services	216,575	-	-	-	216,575	216,575
Administrative	2,122,214	-	-	-	2,122,214	50,165
Municipal court	362,186	-	-	-	362,186	362,186
Health	539,428	-	-	-	539,428	539,428
Recreation	3,519,377	-	-	-	3,519,377	3,519,377
Public works	4,743,093	-	-	-	4,743,093	4,743,093
Police	7,410,977	-	-	-	7,410,977	7,410,977
Media	234,591	-	-	-	234,591	234,591
Other	-	1,520,126	-	-	1,520,126	1,520,126
Bond issue cost	-	-	328,662	336,712	336,712	336,712
Capital outlay	-	4,752,823	-	-	5,081,485	5,081,485
Debt service	-	-	-	879,169	879,169	879,169
Total Expenditures	19,415,712	6,272,949	328,662	1,215,881	27,233,204	27,283,369
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,843,166)	(766,947)	(290,810)	(1,160,294)	(6,061,217)	(6,084,626)
OTHER FINANCING SOURCES (USES)						
Bond issue proceeds	-	-	7,000,000	7,347,840	14,347,840	14,347,840
Payment to bond escrow agent	-	-	-	(6,573,512)	(6,573,512)	(6,573,512)
Transfers in	-	-	-	821,741	821,741	821,741
Transfers out	-	(821,741)	-	-	(821,741)	(821,741)
Total Other Financing Sources (Uses)	-	(821,741)	7,000,000	1,596,069	7,774,328	7,774,328
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(3,843,166)	(1,588,688)	6,709,190	435,775	1,713,111	1,689,702
FUND BALANCES, DECEMBER 1	5,129,628	3,139,045	1,041	856,732	9,126,446	9,182,085
CHANGE IN ACCOUNTING PRINCIPLE	499,628	394,950	-	-	894,578	894,578
RESIDUAL EQUITY TRANSFER	15,848,196	-	-	-	15,848,196	15,848,196
FUND BALANCES, NOVEMBER 30	\$ 17,634,286	1,945,307	6,710,231	1,292,507	11,734,135	11,766,365

See notes to financial statements

CITY OF FLOISSANT, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES FOR WHICH OFFICIAL BUDGETS HAVE BEEN ADOPTED -
FOR THE YEAR ENDED NOVEMBER 30, 2002

	General Fund			Special Revenue Funds			Over (Under) Budget
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget	
REVENUES							
Taxes	\$ 10,820,000	10,527,033	(292,967)	4,695,000	4,934,354	239,354	
Licenses and permits	1,018,000	991,785	(26,215)	-	-	-	
Charges for services	1,029,000	1,157,259	128,259	-	-	-	
Other	615,000	968,431	353,431	-	1,987	1,987	
Investment income	400,000	400,612	612	135,000	105,233	(29,767)	
Fines and forfeitures	1,100,000	1,359,858	259,858	-	-	-	
Intergovernmental	200,000	117,865	(82,135)	2,097,600	249,943	(1,847,657)	
Total Revenues	<u>15,182,000</u>	<u>15,522,843</u>	<u>340,843</u>	<u>6,927,600</u>	<u>5,291,517</u>	<u>(1,636,083)</u>	
EXPENDITURES							
Current:							
Economic development	65,070	64,393	(677)	-	-	-	
Housing center	61,650	60,954	(696)	-	-	-	
Legislative	138,190	134,868	(3,322)	-	-	-	
Senior services	245,040	218,847	(26,193)	-	-	-	
Administrative	2,337,248	2,176,208	(161,040)	-	-	-	
Municipal court	473,160	377,514	(95,646)	-	-	-	
Health	628,470	572,248	(56,222)	-	-	-	
Recreation	3,790,820	3,520,546	(270,274)	-	-	-	
Public works	5,935,982	5,564,152	(371,830)	-	-	-	
Police	7,689,780	7,471,956	(217,824)	-	-	-	
Media	242,230	234,591	(7,639)	-	-	-	
Other	-	-	-	1,130,000	1,103,242	(26,758)	
Capital outlay	-	-	-	7,203,820	4,589,182	(2,614,638)	
Total Expenditures	<u>21,607,640</u>	<u>20,396,277</u>	<u>(1,211,363)</u>	<u>8,333,820</u>	<u>5,692,424</u>	<u>(2,641,396)</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,425,640)</u>	<u>(4,873,434)</u>	<u>1,552,206</u>	<u>(1,406,220)</u>	<u>(400,907)</u>	<u>1,005,313</u>	
OTHER FINANCING SOURCES (USES)							
Transfers in (net of amount designated)	4,500,000	4,500,000	-	-	-	-	
Transfers out	-	-	-	(828,000)	(821,741)	(6,259)	
Total Other Financing Sources (Uses)	<u>4,500,000</u>	<u>4,500,000</u>	<u>-</u>	<u>(828,000)</u>	<u>(821,741)</u>	<u>(6,259)</u>	
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>\$ (1,925,640)</u>	<u>(373,434)</u>	<u>1,552,206</u>	<u>(2,234,220)</u>	<u>(1,222,648)</u>	<u>1,011,572</u>	
FUND BALANCES, DECEMBER 1		<u>4,761,011</u>			<u>1,420,793</u>		
FUND BALANCES, NOVEMBER 30		<u>\$ 4,387,577</u>			<u>198,145</u>		

See notes to financial statements

CITY OF FLORISSANT, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS - ENTERPRISE FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2002

OPERATING REVENUES	\$ 1,311,073
OPERATING EXPENSES	<u>2,073,798</u>
OPERATING LOSS	<u>(762,725)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	55,629
Miscellaneous	14,845
Gain on sale of assets	11,125,090
Interest and fiscal charges	<u>(3,893)</u>
Total Nonoperating Revenues (Expenses)	<u>11,191,671</u>
NET INCOME	10,428,946
DEPRECIATION ON CONTRIBUTED CAPITAL	1,411
RETAINED EARNINGS, DECEMBER 1	9,161,693
RESIDUAL EQUITY TRANSFER	<u>(16,429,923)</u>
RETAINED EARNINGS, NOVEMBER 30	<u>\$ 3,162,127</u>

See notes to financial statements

CITY OF FLORISSANT, MISSOURI
COMBINED STATEMENT OF CASH FLOWS -
ENTERPRISE FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 2002

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash flows from operating activities:

Operating loss	\$ (762,725)
Adjustments to derive cash effect:	
Depreciation and amortization	166,312
(Increase) decrease in:	
Accounts receivable	1,032,949
Inventory	(2,988)
Increase (decrease) in:	
Accounts payable	(162,962)
Compensated absences and accrued payroll	(14,387)
Total Adjustments	1,018,924
Net Cash Provided By Operating Activities	256,199

Cash flows from noncapital financing activities:

Advance to other funds	(305,105)
Advance from other funds	(5,364)
Transfer to General Fund	(14,810,978)
Deposits	(28,530)
Net Cash Used In Noncapital Financing Activities	(15,149,977)

Cash flows from capital and related financing activities:

Payments for capital acquisitions	(24,423)
Proceeds from sale of assets	14,530,995
Net Cash Provided By Capital And Related Financing Activities	14,506,572

Cash flows from investing activities:

Other receipts	66,755
Proceeds from sale of investments	244,160
Net Cash Provided By Investing Activities	310,915

NET DECREASE IN CASH AND CASH EQUIVALENTS (76,291)

CASH AND CASH EQUIVALENTS, DECEMBER 1 138,722

CASH AND CASH EQUIVALENTS, NOVEMBER 30 \$ 62,431

Noncash capital and financing activity:

Net appreciation in fair value of investments	\$ 1,819
Contributed fixed assets	\$ 29,026
Assets and liabilities transferred, See Note P	

CITY OF FLORISSANT, MISSOURI
STATEMENT OF CHANGES IN PLAN NET ASSETS -
FIDUCIARY FUND TYPE - PENSION TRUST FUND
FOR THE YEAR ENDED NOVEMBER 30, 2002

ADDITIONS

Employer contributions	\$ 595,025
Investment income (loss):	
Net appreciation (depreciation) in fair value of investments and interest and dividends	(627,967)
Investment expense	(45,026)
Net Investment Income (Loss)	<u>(672,993)</u>
 Total Additions - Net	 (77,968)

DEDUCTIONS

Benefits	<u>638,570</u>
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NET DECREASE

(716,538)

NET ASSETS HELD IN TRUST FOR PENSION
BENEFITS, DECEMBER 1

8,538,954

NET ASSETS HELD IN TRUST FOR PENSION
BENEFITS, NOVEMBER 30

\$ 7,822,416

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 general purpose 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 (IDA).

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

2. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the general purpose financial statements as follows:

GOVERNMENTAL FUNDS

General Fund -- The General 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.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

Capital Projects Fund -- Capital Projects Funds are used to account for major capital expenditures not financed by Enterprise Funds, Internal Service Funds or Trust Funds. The City's Capital Projects Fund accounts for capital funds of the City's certificates of participation.

Debt Service Fund -- Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general 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.

PROPRIETARY FUNDS

Enterprise Funds -- Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

FIDUCIARY FUNDS

Trust and Agency Funds -- Trust and Agency 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. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

General Fixed Assets -- The general fixed assets used in the City's operations are to be accounted for in the General Fixed Assets Account Group rather than in the governmental funds.

General Long-Term Debt -- Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

3. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the general purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Basis of Accounting (Continued)

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Their expenditures are generally recognized when the related fund liability is incurred.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

The Pension Trust Fund is accounted for on the accrual basis; the Agency Funds and the discretely presented component unit are accounted for on the modified accrual basis.

As permitted by U.S. generally accepted accounting principles, the City has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations.

4. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the general purpose 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 finally 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.

5. Cash, Cash Equivalents and Investments

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Cash, Cash Equivalents and Investments (Continued)

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.

6. Inventories

Inventories are stated at cost (first-in, first-out method).

7. Fixed Assets

General fixed assets acquired for general governmental purposes are recorded as expenditures in the governmental funds. Assets are valued at original or estimated original cost. Contributed fixed assets are stated at estimated fair market value at the date of contribution.

Public domain (infrastructure) assets, including roads, bridges, curbs and gutters, streets, sidewalks and drainage systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets. Assets acquired under lease/purchase agreements are recorded at the inception of the agreement.

Property and equipment owned by the Enterprise Funds are stated at cost or, in the case of contributed fixed assets, at the estimated fair market value at the date of contribution. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Asset	Years
Land improvements	10 - 40
Machinery and equipment	5 - 10
Improvements other than buildings	2 - 50
Buildings	20 - 40

Depreciation and amortization expense for the year ended November 30, 2002 was \$166,312.

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Encumbrances

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

9. Interfund Receivables and Payables

The noncurrent portion of the long-term interfund loan receivable reported as an "advance" from the General Fund to the Enterprise Fund is equally offset by a fund balance reserve account which indicates it does not constitute "available spendable resources" because it is not a component of net current assets. Current portions of interfund loans receivable reported as "due from" other funds are considered "available spendable resources."

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. Vested or accumulated vacation leave and comp time of proprietary funds are recorded as an expense and liability of those funds as the benefits accrued to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

11. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

12. Interfund Transfers

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as operating transfers. Such transfers are reported as other financing sources (uses) in the governmental fund types and operating transfers in the proprietary fund type.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Interfund Transfers (Continued)

Nonrecurring or nonroutine transfers of equity between funds are recorded as equity transfers and, accordingly, are reported as additions or deductions from fund balances of governmental fund types and additions or deductions of contributed capital or retained earnings, as appropriate, of the proprietary fund type.

13. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

14. Pending Accounting Pronouncements

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management's - Discussion and Analysis - for State and Local Governments*. This Statement provides significant new accounting and financial reporting requirements for governments. The City is required to adopt GASB Statement No. 34 in fiscal year 2003, except for certain provisions relating to infrastructure which it is required to adopt by fiscal year 2007.

In July 2002, the GASB issued Statement No. 37, *Basic Financial Statements and Management's - Discussion and Analysis - for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*. These Statements relate to the City's adoption of GASB Statement No. 34. The City must adopt these Statements in fiscal year 2003 when it adopts GASB Statement No. 34.

The City has not completed the varied analyses required to estimate the financial statement impact of these new Statements.

15. Change in Accounting Principle

In fiscal 2002, the City adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Due to the change in accounting and reporting for nonexchange transactions, sales taxes are recognized at the time of the underlying exchange transaction for derived revenues. The cumulative effect of the change in accounting method is as follows:

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Change in Accounting Principle (Continued)

General Fund	<u>\$499,628</u>
Special Revenue Funds:	
Capital Improvements Fund	\$264,278
Park Improvement Fund	<u>130,672</u>
	<u>\$394,950</u>

NOTE B - CASH AND INVESTMENTS

1. Deposits

The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation. As of November 30, 2002, the City's bank deposits were fully insured or collateralized with securities held by the City or its agent in the City's name.

2. Investments

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

	Categories			<u>November 30, 2002</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value/ Carrying Amount</u>
U.S. government and agency securities	\$14,585,893	-	-	14,585,893
Repurchase agreements	-	<u>119,408</u>	-	<u>119,408</u>
	<u>\$14,585,893</u>	<u>119,408</u>	<u>-</u>	14,705,301
Investment in pension plan pooled investments				7,822,416
Certificates of deposit				10,100,000
Less - Amount included in cash				<u>(119,408)</u>
Total Investments				<u>\$32,508,309</u>

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	For The Year Ended November 30, 2002			Balance November 30 2002
	Balance November 30 2001	Additions	Reductions	
	Land	\$ 2,332,108	70,000	
Buildings	9,568,821	316,944	-	9,885,765
Improvements	2,664,580	523,307	3,831	3,184,056
Equipment	5,637,045	1,941,546	427,286	7,151,305
Construction in progress	49,401	-	49,401	-
	<u>\$20,251,955</u>	<u>2,851,797</u>	<u>480,518</u>	<u>22,623,234</u>

The beginning general fixed assets balance has been reduced by \$738,742.

A summary of proprietary fund type fixed assets is as follows:

	November 30, 2002 Golf Course Fund
Land and improvements	\$2,502,976
Buildings	717,432
Equipment	539,420
Total Cost	3,759,828
Less - Accumulated depreciation	(556,432)
Net Book Value	<u>\$3,203,396</u>

NOTE D - LONG-TERM DEBT

Long-term debt consists of the following:

General Long-Term Debt Account Group

	November 30 2002
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>\$14,030,000</u>

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

<u>For The Years Ended November 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 840,000	546,578	1,386,578
2004	835,000	543,494	1,378,494
2005	850,000	518,444	1,368,444
2006	900,000	495,069	1,395,069
2007	925,000	468,069	1,393,069
2008 - 2012	3,640,000	1,878,894	5,518,894
2013 - 2017	3,435,000	1,165,050	4,600,050
2018 - 2022	<u>2,605,000</u>	<u>403,750</u>	<u>3,008,750</u>
Total	<u>\$14,030,000</u>	<u>6,019,348</u>	<u>20,049,348</u>

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

	<u>For The Year Ended November 30, 2002</u>			
	<u>Balance November 30 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance November 30 2002</u>
Certificates of participation	\$6,890,000	14,030,000	6,890,000	14,030,000
Pension contribution payable	<u>745,755</u>	<u>-</u>	<u>202,189</u>	<u>543,566</u>
	<u>\$7,635,755</u>	<u>14,030,000</u>	<u>7,092,189</u>	<u>14,573,566</u>

In 2002 the City issued \$14,030,000 of certificates of participation in part to refund \$6,405,000 of outstanding 1997 certificates of participation. A portion of the proceeds (after payment of underwriting fees and issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1997 certificates of participation. As a result, the 1997 issue is considered to be defeased and the liability for this debt has been removed from the City's general purpose financial statements.

The 2002 refunding decreased the City's aggregated debt service payments in relation to the 1997 Series by \$549,154 which resulted in an economic gain from the difference between the present values of the old and new debt service payments of \$278,623.

The City has previously defeased its 1994 certificates of participation by placing the proceeds in irrevocable trusts to provide for future debt service payments on the old bonds. Accordingly, the trust assets and liability for the defeased debt are not included in the City's financial statements. As of November 30, 2002, \$2,835,000 of bonds are considered defeased.

The City is in compliance with significant requirements regarding deposits and debt service payments.

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN

1. Plan Description and Provisions

The Plan is a single-employer, defined benefit pension plan that covers all of the City's employees who work at least 1000 hours per year and are eligible to participate in the plan. The Plan was created and is governed by City ordinance. The payroll for employees covered by the Plan for the year ended November 30, 2001, which is the date of the latest actuarial valuation available, was \$2,456,952 and the City's total payroll was \$11,785,916.

The Plan does not issue a separate stand-alone financial report. The financial information is included as a Trust Fund in the City's general purpose financial statements. Information about the Plan is provided in a summary plan description.

Membership in the Plan is comprised of the following:

<u>Group</u>	<u>November 30 2001</u>
Retirees and beneficiaries currently receiving benefits	10
Vested terminated employees and active employees	125

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 death and disability.

All contributions to the plan are made by the City.

2. Funding Status and Progress

All available years are presented as follows:

<u>Pension Plan</u>			
<u>Valuation For The Actuarial Years Ended November 30</u>	<u>Actuarial Value Of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>
2001	\$13,223,640	\$16,958,326	\$3,734,686
2000	14,081,273	20,454,513	6,373,240
1999	12,802,476	17,532,254	4,729,778
1998	11,438,309	16,175,188	4,736,879
1997	9,531,307	14,134,435	4,603,128

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)

2. Funding Status and Progress (Continued)

Pension Plan			
<u>Valuation For The Actuarial Years Ended November 30</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL As A Percentage Of Covered Payroll</u>
2001	78.0%	\$2,456,952	152.0%
2000	68.8	6,988,706	91.2
1999	73.0	6,739,075	70.2
1998	70.7	6,848,889	69.2
1997	67.4	6,377,666	72.2

Schedule Of Employer Contributions			
<u>For The Years Ended November 30</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2001	\$ 545,043	\$ 740,000	135.8%
2000	1,267,997	1,185,000	93.5
1999	999,116	1,000,000	100.1
1998	1,058,290	1,028,200	97.2
1997	1,069,319	900,000	84.2
1996	1,041,549	910,500	87.4

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

Actuarial cost method	Frozen entry age
Amortization method	Using assumed rate of 7.5% over 24 years
Asset valuation method	At fair value or contract value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5%

3. Annual Pension Cost

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

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)

4. Trend Information

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

<u>Pension Plan</u>				
<u>Valuation For</u> <u>The Actuarial</u> <u>Years Ended</u> <u>November 30</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>	<u>Increase</u> <u>(Decrease)</u> <u>Net Pension</u> <u>Obligation</u>
2001	\$ 537,811	137.6%	\$543,566	(\$202,189)
2000	1,262,348	93.9	745,755	77,348
1999	994,177	100.6	668,407	(5,823)
1998	1,054,204	97.5	674,230	26,004
1997	1,066,730	84.4	648,226	166,730
1996	1,039,953	87.6	481,496	129,453

<u>Annual Pension Cost</u>				
<u>Valuation For</u> <u>The Actuarial</u> <u>Years Ended</u> <u>November 30</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Interest On</u> <u>The Net</u> <u>Pension</u> <u>Obligation</u>	<u>Adjustment To</u> <u>The Annual</u> <u>Required</u> <u>Contribution</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u>
2001	\$ 545,043	\$55,932	(\$63,164)	\$ 537,811
2000	1,267,997	50,131	(55,780)	1,262,348
1999	999,116	50,567	(55,506)	994,177
1998	1,058,290	48,617	(52,703)	1,054,204
1997	1,069,319	36,112	(38,701)	1,066,730
1996	1,041,549	26,403	(27,999)	1,039,953

NOTE F - ENTERPRISE FUNDS

The City maintains two Enterprise Funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended November 30, 2002 is presented below:

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - ENTERPRISE FUNDS (Continued)

	<u>Water</u> <u>Fund</u>	<u>Golf</u> <u>Fund</u>
Operating revenues	\$ 447,010	864,063
Depreciation and amortization expense	43,348	122,964
Operating income (loss)	(597,461)	(165,264)
Net income (loss)	10,598,858	(169,912)
Fixed assets additions	10,940	13,483
Net working capital	-	(13,654)
Total assets	-	3,288,401
Total equity	-	3,189,742

NOTE G - 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.

Currently the City does not assess a property tax.

NOTE H - INSURANCE

The City managed risks of loss related to employee life, health and disability, workers' compensation, property and liability by purchasing commercial insurance during the year ended November 30, 2002.

There was no significant reductions in insurance coverage during the year ended November 30, 2002 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

NOTE I - DEFICIT BALANCES

The Sewer Lateral Fund, a Special Revenue Fund, had a deficit fund balance at November 30, 2002 of \$851,723. This fund deficit resulted from expenditures to be funded with future revenues.

NOTE J - BUDGETARY BASIS OF ACCOUNTING

Annual budgets are adopted for the General Fund and certain Special Revenue 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.

Adjustments necessary to convert revenues and other sources (uses) over (under) expenditures at the end of the year on the GAAP basis to the budgetary basis for budgeted funds are as follows:

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE J - BUDGETARY BASIS OF ACCOUNTING (Continued)

	For The Year Ended	
	November 30, 2002	
	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
Revenues and other sources (uses) over (under) expenditures:		
GAAP basis	(\$3,843,166)	(1,588,688)
Increase (decrease) due to:		
Revenue accrual adjustments	(49,702)	104,219
Residual equity transfer	4,500,000	-
Expenditures accrual adjustments	566,144	282,067
Encumbrance adjustments	(1,546,710)	(9,754)
Unbudgeted funds	<u>-</u>	<u>(10,492)</u>
 Budgetary Basis	 (\$ <u>373,434</u>)	 (<u>1,222,648</u>)

NOTE K - 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.

During 2001, the City authorized issuance of tax increment revenue notes not to exceed \$15,500,000 for the redevelopment of the Cross Keys area.

NOTE L - PRIOR PERIOD ADJUSTMENTS

The previously stated fund balances have been adjusted as follows:

	<u>General Fund</u>	<u>Park Improvement Fund</u>
Fund balances, December 1, 2001, as previously reported	\$5,209,525	1,223,651
Adjusted for prior year taxes	-	34,823
Adjusted for prior year accrued benefits	<u>(79,897)</u>	<u>-</u>
 Fund Balances, December 1, 2001, As Restated	 \$ <u>5,129,628</u>	 <u>1,258,474</u>

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE M - CONTRIBUTED CAPITAL

The Enterprise Funds contributed capital changed as follows:

<u>Source</u>	<u>For The Year Ended November 30 2002</u>
Contributed capital, November 30, 2001	\$ -
Additional contributions	29,026
Depreciation	<u>(1,411)</u>
Contributed Capital, November 30, 2002	<u>\$27,615</u>

NOTE N - DEFINED CONTRIBUTION PLAN

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

The Money Purchase Pension Plan is funded through the International City Management Association Retirement Corporation (ICMA). 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, 2002, amounted to \$196,219 for employee and \$978,749 for the City.

NOTE O - CONDUIT DEBT OBLIGATIONS

The City authorized the Industrial Development Authority of the City of Florissant 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.

CITY OF FLORISSANT, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE O - CONDUIT DEBT OBLIGATIONS (Continued)

Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements. The aggregate principal maturities of outstanding bonds at November 30, 2002 was \$5,270,000.

NOTE P - RESIDUAL EQUITY TRANSFER

The City made a residual equity transfer during the year ended November 30, 2002 as follows:

Cash	\$14,810,978
Investments	521,017
Other receivables	52,849
Interest receivable	4,762
Due from other funds	605,105
Accounts payable	<u>(146,515)</u>
General Fund - Residual Equity Transfer In	15,948,196
Fixed assets and related liabilities	<u>581,727</u>
 Water Fund - Residual Equity Transfer Out	 <u>\$16,429,923</u>

CITY OF FLORISSANT, MISSOURI
SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION SECTION

CITY OF FLORISSANT, MISSOURI
SUPPLEMENTAL INFORMATION - GENERAL FUND -
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED NOVEMBER 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
TAXES			
Cigarette tax	\$ 220,000	198,609	(21,391)
Gasoline tax	1,660,000	1,641,322	(18,678)
Road and bridge tax	450,000	469,606	19,606
Sales tax	6,590,000	6,599,923	9,923
Utility tax	1,900,000	1,617,573	(282,427)
Total Taxes	<u>10,820,000</u>	<u>10,527,033</u>	<u>(292,967)</u>
LICENSES AND PERMITS			
Business licenses	590,000	620,392	30,392
Liquor license	28,000	29,876	1,876
Building permits	270,000	206,645	(63,355)
Minimum housing	90,000	95,152	5,152
Annual sign fee	20,000	21,993	1,993
Other permits - excavating	20,000	17,727	(2,273)
Total Licenses And Permits	<u>1,018,000</u>	<u>991,785</u>	<u>(26,215)</u>
CHARGES FOR SERVICES			
Skateboard park	-	11,537	11,537
Classes (except skate/swim)	55,000	78,912	23,912
Gym rental	15,000	17,925	2,925
Ice rink	75,000	75,664	664
Swimming pool - FCC	90,000	95,666	5,666
Swimming pool - Bangert	25,000	27,604	2,604
Swimming pool - Koch	160,000	175,464	15,464
Miscellaneous	80,000	92,093	12,093
Playground	34,000	34,530	530
Theatre	145,000	162,244	17,244
Concessions	100,000	135,620	35,620
Administrative services	250,000	250,000	-
Total Charges For Services	<u>1,029,000</u>	<u>1,157,259</u>	<u>128,259</u>
OTHER			
Other miscellaneous	150,000	482,236	332,236
Cable television	450,000	469,073	19,073
Senior citizen luncheons	15,000	17,122	2,122
Total Other	<u>615,000</u>	<u>968,431</u>	<u>353,431</u>
INVESTMENT INCOME	<u>400,000</u>	<u>400,612</u>	<u>612</u>
FINES AND FORFEITURES	<u>1,100,000</u>	<u>1,359,858</u>	<u>259,858</u>
INTERGOVERNMENTAL	<u>200,000</u>	<u>117,865</u>	<u>(82,135)</u>
TOTAL REVENUES - GENERAL FUND	<u>\$ 15,182,000</u>	<u>15,522,843</u>	<u>340,843</u>

CITY OF FLORISSANT MISSOURI
SUPPLEMENTAL INFORMATION - GENERAL FUND -
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED NOVEMBER 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
ECONOMIC DEVELOPMENT			
Salaries	\$ 46,800	46,731	(69)
Employees' benefits	13,170	12,741	(429)
Office supplies/printing	600	442	(158)
Dues, travel and training	4,200	4,200	-
Professional services	300	279	(21)
Total Economic Development	<u>65,070</u>	<u>64,393</u>	<u>(677)</u>
HOUSING CENTER			
Salaries	42,700	42,682	(18)
Employees' benefits	13,950	13,353	(597)
Office supplies/printing	3,027	3,017	(10)
Dues, travel and training	1,380	1,309	(71)
Professional services	593	593	-
Total Housing Center	<u>61,650</u>	<u>60,954</u>	<u>(696)</u>
LEGISLATIVE			
Salaries	96,360	94,800	(1,560)
Legislative benefits	21,830	21,013	(817)
Dues, travel and training	20,000	19,055	(945)
Total Legislative	<u>138,190</u>	<u>134,868</u>	<u>(3,322)</u>
SENIOR SERVICES			
Salaries	159,080	140,200	(18,880)
Employees' benefits	39,310	36,241	(3,069)
Uniforms and allowances	1,000	990	(10)
F.L.E.R.T.	10,000	9,637	(363)
Senior citizen buses	8,000	5,882	(2,118)
Building maintenance and supplies	5,000	4,506	(494)
Office supplies/printing	3,450	2,629	(821)
Dues, travel and training	500	306	(194)
Senior citizen luncheons	18,700	18,456	(244)
Total Senior Services	<u>245,040</u>	<u>218,847</u>	<u>(26,193)</u>

(Continued)

CITY OF FLORISSANT MISSOURI
SUPPLEMENTAL INFORMATION - GENERAL FUND -
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
ADMINISTRATIVE			
Salaries	804,060	776,266	(27,794)
Employees' benefits	285,570	260,271	(25,299)
Residency incentive program	124,500	124,500	-
Unemployment claim reserve	9,150	9,149	(1)
City hall and litigation	15,000	14,072	(928)
Postage and printing	65,500	51,717	(13,783)
Telephone	54,800	51,637	(3,163)
Office supplies/printing	39,000	33,649	(5,351)
Copy equipment rental/supplies	26,000	23,469	(2,531)
Mayor's expenditures	15,000	14,997	(3)
Dues, travel and training	25,500	16,035	(9,465)
Professional services	295,000	265,750	(29,250)
Legal notices and advertising	25,000	22,132	(2,868)
Service awards	16,000	14,817	(1,183)
Insurance, fire and liability	475,000	444,745	(30,255)
Organization dues	24,600	23,974	(626)
Boards and commissions	14,000	5,783	(8,217)
Election expenditure	11,500	11,180	(320)
Capital additions	12,068	12,065	(3)
Total Administrative	<u>2,337,248</u>	<u>2,176,208</u>	<u>(161,040)</u>
MUNICIPAL COURT			
Salaries	291,110	216,000	(75,110)
Employees' benefits	65,050	57,288	(7,762)
Office supplies/printing	3,500	2,658	(842)
Dues, travel and training	3,500	2,665	(835)
Professional services	96,800	86,817	(9,983)
Capital additions	13,200	12,086	(1,114)
Total Municipal Court	<u>473,160</u>	<u>377,514</u>	<u>(95,646)</u>
HEALTH			
Salaries	345,720	322,790	(22,930)
Employees' benefits	95,850	91,058	(4,792)
Uniforms and allowances	2,900	2,618	(282)
Utilities	7,500	5,328	(2,172)
Gasoline	9,000	6,447	(2,553)
Building maintenance and supplies	9,000	7,132	(1,868)
Office supplies/printing	4,000	3,978	(22)
Materials and supplies	55,000	48,899	(6,101)
Dues, travel and training	500	120	(380)
Professional services	99,000	83,878	(15,122)
Total Health	<u>628,470</u>	<u>572,248</u>	<u>(56,222)</u>

(Continued)

CITY OF FLORISSANT MISSOURI
SUPPLEMENTAL INFORMATION - GENERAL FUND -
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
RECREATION - THEATRE			
Salaries	148,710	145,509	(3,201)
Employees' benefits	42,690	36,952	(5,738)
Uniforms and allowances	250	234	(16)
Building maintenance and supplies	7,300	7,159	(141)
Office supplies/printing	8,550	7,717	(833)
Dues, travel and training	4,050	4,049	(1)
Theatre workshop	51,800	51,708	(92)
Publicity	7,650	7,606	(44)
Total Recreation - Theatre	<u>271,000</u>	<u>260,934</u>	<u>(10,066)</u>
COMMUNITY AND CIVIC CENTER			
Salaries	947,170	916,004	(31,166)
Employees' benefits	176,990	168,043	(8,947)
Utilities	246,000	202,587	(43,413)
Gasoline	1,200	1,049	(151)
Total Community And Civic Center	<u>1,371,360</u>	<u>1,287,683</u>	<u>(83,677)</u>
RECREATION - PLAYGROUND			
Salaries	113,610	106,228	(7,382)
Employees' benefits	8,690	8,126	(564)
Total Recreation - Playground	<u>122,300</u>	<u>114,354</u>	<u>(7,946)</u>
RECREATION - BANGERT			
Salaries	84,770	78,006	(6,764)
Employees' benefits	6,480	5,978	(502)
Utilities	8,600	1,091	(7,509)
Total Recreation - Bangert	<u>99,850</u>	<u>85,075</u>	<u>(14,775)</u>
RECREATION - PARKS			
Salaries	1,191,960	1,116,276	(75,684)
Employees' benefits	346,890	324,023	(22,867)
Utilities	50,000	49,962	(38)
Gasoline	19,060	18,329	(731)
Total Recreation - Parks	<u>1,607,910</u>	<u>1,508,590</u>	<u>(99,320)</u>
RECREATION - KOCH AQUATIC CENTER			
Salaries	264,190	224,002	(40,188)
Employees' benefits	20,210	17,126	(3,084)
Utilities	34,000	22,782	(11,218)
Total Recreation - Koch Aquatic Center	<u>318,400</u>	<u>263,910</u>	<u>(54,490)</u>
Total Recreation	<u>3,790,820</u>	<u>3,520,546</u>	<u>(270,274)</u>

CITY OF FLORISSANT MISSOURI
SUPPLEMENTAL INFORMATION - GENERAL FUND -
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
PUBLIC WORKS			
Salaries	1,936,040	1,846,822	(89,218)
Employees' benefits	620,240	584,539	(35,701)
Uniforms and allowances	13,500	12,661	(839)
Utilities	70,000	56,797	(13,203)
Gasoline	24,000	17,926	(6,074)
Building maintenance and supplies	141,482	-	(141,482)
Office supplies/printing	19,000	18,999	(1)
Street markings	9,500	8,221	(1,279)
Ice/snow removal	71,000	64,694	(6,306)
Dues, travel and training	33,220	32,393	(827)
Professional services	188,000	167,685	(20,315)
Street lighting	476,400	430,180	(46,220)
Street contracts	2,000,000	1,999,999	(1)
Capital additions	309,600	309,600	-
Gasoline control account	24,000	13,636	(10,364)
Total Public Works	<u>5,935,982</u>	<u>5,564,152</u>	<u>(371,830)</u>
POLICE			
Salaries	5,073,390	4,972,513	(100,877)
Employees' benefits	1,632,150	1,558,492	(73,658)
Uniforms and allowances	60,450	59,011	(1,439)
Telephone	35,000	27,887	(7,113)
Utilities	38,850	35,751	(3,099)
Gasoline	71,300	70,857	(443)
Building maintenance and supplies	32,700	32,295	(405)
Equipment repairs - vehicles	24,500	21,765	(2,735)
Office supplies/printing	28,900	25,745	(3,155)
Copy equipment - rental/supply	13,000	10,546	(2,454)
Communication service	163,100	154,395	(8,705)
Ammunition - armory supplies	6,000	5,961	(39)
Dues, travel and training	37,440	33,544	(3,896)
Capital additions	473,000	463,194	(9,806)
Total Police	<u>7,689,780</u>	<u>7,471,956</u>	<u>(217,824)</u>
MEDIA			
Salaries	120,070	117,096	(2,974)
Employee's benefits	38,960	35,933	(3,027)
Equipment repairs	1,700	493	(1,207)
Office supplies/printing	2,000	1,887	(113)
Materials and supplies	2,000	1,735	(265)
Dues, travel and training	1,500	1,500	-
Professional services	74,100	74,100	-
Organization dues	100	50	(50)
Capital additions	1,800	1,797	(3)
Total Media	<u>242,230</u>	<u>234,591</u>	<u>(7,639)</u>
TOTAL EXPENDITURES - GENERAL FUND	<u>\$ 21,607,640</u>	<u>20,396,277</u>	<u>(1,211,363)</u>

CITY OF FLORISSANT, MISSOURI
SUPPLEMENTAL INFORMATION -
SPECIAL REVENUE FUNDS - COMBINING BALANCE SHEET
NOVEMBER 30, 2002

	Capital Improvements Fund	Community Development Fund	Home Equity Assurance Fund	Park Improvement Fund	Sewer Lateral Fund	Totals
ASSETS						
Cash	\$ 445,677	7,072	119,277	629,410	216,895	1,418,331
Investments	1,128,966	-	-	275,000	-	1,403,966
Receivables:						
Taxes	539,994	-	-	298,839	38,143	876,976
Interest	7,122	-	-	1,662	-	8,784
Intergovernmental	-	5,134	-	-	-	5,134
Due from other funds	-	-	-	26,636	-	26,636
Total Assets	\$ 2,121,759	12,206	119,277	1,231,547	255,038	3,739,827

LIABILITIES AND FUND EQUITY

Liabilities						
Accounts payable	\$ 348,942	4,028	-	331,392	174,973	859,335
Compensated absences	-	3,397	-	-	2,204	5,601
and accrued payroll	-	-	-	-	929,584	929,584
Due to other funds	348,942	7,425	-	331,392	1,106,761	1,794,520
Total Liabilities						
Fund Equity (Deficit)						
Fund balances:						
Reserved for encumbrances	908,667	174,361	-	82,147	-	1,165,175
Unreserved - undesignated	864,150	(169,580)	119,277	818,008	(851,723)	780,132
Total Fund Equity (Deficit)	1,772,817	4,781	119,277	900,155	(851,723)	1,945,307
Total Liabilities And Fund Equity	\$ 2,121,759	12,206	119,277	1,231,547	255,038	3,739,827

CITY OF FLORISSANT, MISSOURI
SUPPLEMENTAL INFORMATION -
SPECIAL REVENUE FUNDS - COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
FOR THE YEAR ENDED NOVEMBER 30, 2002

	Capital Improvements Fund	Community Development Fund	Home Equity Assurance Fund	Park Improvement Fund	Sewer Lateral Fund	Totals
REVENUES						
Taxes	\$ 2,829,978	-	-	1,556,293	504,170	4,890,441
Other	-	-	110	-	1,987	2,097
Investment income	48,882	-	2,099	32,522	6,294	89,797
Intergovernmental	196,832	316,495	-	10,340	-	523,667
Total Revenues	<u>3,075,692</u>	<u>316,495</u>	<u>2,209</u>	<u>1,599,155</u>	<u>512,451</u>	<u>5,506,002</u>
EXPENDITURES						
Current:						
Other	-	308,212	-	-	1,211,914	1,520,126
Capital outlay	2,664,677	-	-	2,088,146	-	4,752,823
Total Expenditures	<u>2,664,677</u>	<u>308,212</u>	<u>-</u>	<u>2,088,146</u>	<u>1,211,914</u>	<u>6,272,949</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	411,015	8,283	2,209	(488,991)	(699,463)	(766,947)
OTHER FINANCING SOURCES (USES)						
Transfers out	(821,741)	-	-	-	-	(821,741)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(410,726)	8,283	2,209	(488,991)	(699,463)	(1,588,688)
FUND BALANCES (DEFICIT), DECEMBER 1	1,919,265	(3,502)	117,068	1,258,474	(152,260)	3,139,045
CHANGE IN ACCOUNTING PRINCIPLE	264,278	-	-	130,672	-	394,950
FUND BALANCES (DEFICIT), NOVEMBER 30	<u>\$ 1,772,817</u>	<u>4,781</u>	<u>119,277</u>	<u>900,155</u>	<u>(851,723)</u>	<u>1,945,307</u>

CITY OF FLOISSANT, MISSOURI
 SUPPLEMENTAL INFORMATION -
 SPECIAL REVENUE FUNDS - COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET
 AND ACTUAL - FOR WHICH OFFICIAL BUDGETS HAVE BEEN ADOPTED
 FOR THE YEAR ENDED NOVEMBER 30, 2002

	Capital Improvements Fund			Park Improvement Fund			Sewer Lateral Fund			Totals		
	Budget	Actual	Over	Budget	Actual	Over	Budget	Actual	Over	Budget	Actual	Over
			(Under)			(Under)			(Under)			(Under)
REVENUES												
Taxes	\$ 2,725,000	2,887,324	162,324	1,500,000	1,566,145	66,145	470,000	480,885	10,885	4,695,000	4,934,354	239,354
Other	-	-	-	-	-	-	-	1,987	1,987	-	1,987	1,987
Investment income	75,000	60,603	(14,397)	50,000	38,336	(11,664)	10,000	6,294	(3,706)	135,000	105,233	(29,767)
Intergovernmental revenue	2,097,600	239,603	(1,857,997)	-	10,340	10,340	-	-	-	2,097,600	249,943	(1,847,657)
Total Revenues	4,897,600	3,187,530	(1,710,070)	1,550,000	1,614,821	54,481	480,000	489,166	9,166	6,927,600	5,291,517	(1,636,083)
EXPENDITURES												
Current												
Other												
Capital outlay	5,212,010	2,876,684	(2,335,326)	1,991,810	1,712,498	(279,312)	1,130,000	1,103,242	(26,758)	1,130,000	1,103,242	(26,758)
Total Expenditures	5,212,010	2,876,684	(2,335,326)	1,991,810	1,712,498	(279,312)	1,130,000	1,103,242	(26,758)	7,203,820	4,589,182	(2,614,638)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(314,410)	310,846	625,256	(441,810)	(97,677)	333,793	(650,000)	(614,076)	35,924	(1,406,220)	(400,907)	1,005,313
OTHER FINANCING SOURCES (USES)												
Transfers out	(828,000)	(821,741)	(6,259)	-	-	-	-	-	-	(828,000)	(821,741)	(6,259)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	\$ (1,142,410)	\$ (510,895)	\$ 631,515	\$ (441,810)	\$ (97,677)	\$ 333,793	\$ (650,000)	\$ (614,076)	\$ 35,924	\$ (2,234,220)	\$ (1,222,648)	\$ 1,011,572
FUND BALANCES (DEFICIT), DECEMBER 1		1,050,150			555,929			(185,286)			1,420,793	
FUND BALANCES (DEFICIT), NOVEMBER 30		\$ 539,255			458,252			(799,362)			198,145	

CITY OF FLORISSANT, MISSOURI
SUPPLEMENTAL INFORMATION -
ENTERPRISE FUNDS - COMBINING STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED NOVEMBER 30, 2002

	<u>Water Fund</u>	<u>Golf Fund</u>	<u>Total</u>
OPERATING REVENUES	\$ 447,010	864,063	1,311,073
OPERATING EXPENSES			
Salaries	120,611	420,753	541,364
Employee's benefits	89,541	90,469	180,010
Residency incentive program	3,750	2,600	6,350
Unemployment claim reserve	500	940	1,440
Uniforms and allowances	340	2,724	3,064
Postage and printing	4,497	500	4,997
Telephone	-	1,769	1,769
Utilities	11,745	44,980	56,725
Gasoline	3,095	6,293	9,388
Merchandise	-	87,051	87,051
Building maintenance and supplies	53	50,785	50,838
Equipment repairs	1,619	35,856	37,475
Chemicals	-	37,283	37,283
Water purchases	299,317	-	299,317
Office supplies/printing	1,003	6,605	7,608
Materials and supplies	4,830	-	4,830
Dues, travel and training	1,658	5,575	7,233
Professional services	69,250	61,871	131,121
Administrative service	250,000	-	250,000
Publicity	-	17,225	17,225
Insurance	100,000	33,084	133,084
Other	6,117	-	6,117
Utility tax	33,197	-	33,197
Depreciation and amortization	43,348	122,964	166,312
Total Operating Expenses	<u>1,044,471</u>	<u>1,029,327</u>	<u>2,073,798</u>
OPERATING LOSS	<u>(597,461)</u>	<u>(165,264)</u>	<u>(762,725)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	54,167	1,462	55,629
Miscellaneous	17,062	(2,217)	14,845
Gain on sale of assets	11,125,090	-	11,125,090
Interest and fiscal charges	-	(3,893)	(3,893)
Total Nonoperating Revenues (Expenses)	<u>11,196,319</u>	<u>(4,648)</u>	<u>11,191,671</u>
NET INCOME (LOSS)	10,598,858	(169,912)	10,428,946
DEPRECIATION ON CONTRIBUTED CAPITAL	-	1,411	1,411
RETAINED EARNINGS, DECEMBER 1	5,831,065	3,330,628	9,161,693
RESIDUAL EQUITY TRANSFER	<u>(16,429,923)</u>	<u>-</u>	<u>(16,429,923)</u>
RETAINED EARNINGS, NOVEMBER 30	<u>\$ -</u>	<u>3,162,127</u>	<u>3,162,127</u>

CITY OF FLORISSANT, MISSOURI
SUPPLEMENTAL INFORMATION -
ENTERPRISE FUNDS - COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED NOVEMBER 30, 2002

	Water Fund	Golf Fund	Total
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash flows from operating activities:			
Operating loss	\$ (597,461)	(165,264)	(762,725)
Adjustments to derive cash effect:			
Depreciation and amortization	43,348	122,964	166,312
(Increase) decrease in:			
Accounts receivable	1,032,949	-	1,032,949
Inventory	-	(2,988)	(2,988)
Increase (decrease) in:			
Accounts payable	(178,436)	15,474	(162,962)
Compensated absences and accrued payroll	(27,742)	13,355	(14,387)
Total Adjustments	870,119	148,805	1,018,924
Net Cash Provided By (Used In) Operating Activities	272,658	(16,459)	256,199
Cash flows from noncapital financing activities:			
Advance to other funds	(305,105)	-	(305,105)
Advance from other funds	-	(5,364)	(5,364)
Transfer to General Fund	(14,810,978)	-	(14,810,978)
Deposits	(28,530)	-	(28,530)
Net Cash Used In Noncapital Financing Activities	(15,144,613)	(5,364)	(15,149,977)
Cash flows from capital and related financing activities:			
Payments for capital acquisitions	(10,940)	(13,483)	(24,423)
Proceeds from sale of assets	14,530,995	-	14,530,995
Net Cash Provided By (Used In) Capital And Related Financing Activities	14,520,055	(13,483)	14,506,572
Cash flows from investing activities:			
Other receipts (expenses)	69,186	(2,431)	66,755
Proceeds from sale of investments	169,160	75,000	244,160
Net Cash Provided By Investing Activities	238,346	72,569	310,915
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(113,554)	37,263	(76,291)
CASH AND CASH EQUIVALENTS, DECEMBER 1	113,554	25,168	138,722
CASH AND CASH EQUIVALENTS, NOVEMBER 30	\$ -	62,431	62,431
Noncash capital and financing activity:			
Net appreciation in fair value of investments	\$ 1,819	-	1,819
Contributed fixed assets	\$ -	29,026	29,026
Assets and liabilities transferred, See Note P			

CITY OF FLORISSANT, MISSOURI
SUPPLEMENTAL INFORMATION - FIDUCIARY FUND TYPES -
TRUST AND AGENCY FUNDS - COMBINING BALANCE SHEET
NOVEMBER 30, 2002

	Pension Trust Fund	Agency Fund	Total
ASSETS			
Cash	\$ -	660,321	660,321
Investments	7,822,416	50,000	7,872,416
Total Assets	\$ 7,822,416	710,321	8,532,737
 LIABILITIES AND FUND EQUITY			
Liabilities			
Due to others:			
Court bonds	\$ -	301,906	301,906
Construction deposits	-	82,654	82,654
Other deposits	-	198,729	198,729
Due to other funds	-	583,289	583,289
	-	127,032	127,032
	-	710,321	710,321
Fund Equity			
Fund balance:			
Reserved for employees' retirement system	7,822,416	-	7,822,416
Total Liabilities And Fund Equity	\$ 7,822,416	710,321	8,532,737

CITY OF FLORISSANT MISSOURI
SUPPLEMENTAL INFORMATION - FIDUCIARY FUND TYPE - AGENCY FUNDS -
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED NOVEMBER 30, 2002

	Balance November 30 2001	Additions	Reductions	Balance November 30 2002
ASSETS				
Cash	\$ 574,211	86,110	-	660,321
Investments	71,420	-	21,420	50,000
	<u>545,631</u>	<u>86,110</u>	<u>21,420</u>	<u>660,321</u>
Total Assets	<u>\$ 645,631</u>	<u>86,110</u>	<u>21,420</u>	<u>710,321</u>
LIABILITIES				
Due to others:				
Court bonds	\$ 291,833	10,073	-	301,906
Construction deposits	88,678	-	6,024	82,654
Other deposits	162,626	36,103	-	198,729
	<u>543,137</u>	<u>46,176</u>	<u>6,024</u>	<u>583,289</u>
Due to other funds	102,494	24,538	-	127,032
	<u>645,631</u>	<u>70,714</u>	<u>6,024</u>	<u>710,321</u>

CITY OF FLORISSANT, MISSOURI
SINGLE AUDIT

SINGLE AUDIT SECTION



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

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

January 27, 2003

Honorable Mayor and City Council
CITY OF FLORISSANT, MISSOURI

We have audited the general purpose financial statements of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 2002, and have issued our report thereon dated January 27, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be ma-

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material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting which we have reported to the management of the City in a separate letter dated January 27, 2003.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Hochschild, Bloom + Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

CITY OF FLORISSANT, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED NOVEMBER 30, 2002

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development:			
Community Development Block Grant	14.218	-	\$ <u>311,361</u>
U.S. Department of Justice:			
Bulletproof Vest Program	16.607	-	2,838
Missouri Department of Public Safety: Juvenile accountability Incentive Block Grant	16.523	99-NCD4-058	<u>12,864</u> <u>15,702</u>
U.S. Department of Transportation:			
Missouri Department of Transportation: Highway Planning and Construction	20.205	STP-5513(607)	48,324
Highway Planning and Construction	20.205	STP-5521(603)	<u>19,119</u> 67,443
Missouri Division of Highway Safety: Highway Safety	20.600	01-PT-02-46	<u>210</u> <u>67,653</u>
Federal Emergency Management Agency:			
Missouri Emergency Management Agency: EMPG	83.552	EMK-2002-GR-0005 and EMK-2000-GR-0022	<u>14,135</u>
Total Awards Expended			\$ <u>408,851</u>

NOTES:

1. General

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

2. Basis of Accounting

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



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

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

January 27, 2003

Honorable Mayor and City Council
CITY OF FLORISSANT, MISSOURI

Compliance

We have audited the compliance of the **CITY OF FLORISSANT, MISSOURI** (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended November 30, 2002. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended November 30, 2002.

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Internal Control Over Compliance

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

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

Schedule of Expenditure of Federal Awards

We have audited the general purpose financial statements of the City as of and for the year ended November 30, 2002, and have issued our report thereon dated January 27, 2003. Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the City taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Hochschild, Bloom & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

CITY OF FLORISSANT, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
NOVEMBER 30, 2002

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

None