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**CITY OF FLORISSANT,  
MISSOURI**

**Financial Report  
(Audited)**

Year Ended November 30, 2003

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**CITY OF FLORISSANT, MISSOURI**  
**FINANCIAL REPORT**

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

## INDEPENDENT AUDITORS' REPORT

December 18, 2003

Honorable Mayor and City Council  
**CITY OF FLORISSANT, MISSOURI**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of November 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The City has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of November 30, 2003.

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Member, Independent Accountants International with Member Offices in Principal U.S. and International Cities.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 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.

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

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

Hochschild, Bloom + Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

**Management's Discussion and Analysis**  
**Annual Financial Statements**  
**For the Fiscal Year Ended November 30, 2003**

The City of Florissant (the City) presents this narrative to help our readers review the accompanying annual financial statements for the year ended November 30, 2003. We have prepared this discussion and analysis of the City's financial activities to add additional information to the financial schedules and the note disclosures.

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

**Financial Highlights**

- As of November 30, 2003 the City's assets exceeded liabilities by \$25,408,700. This amount includes \$1,302,798 of resources that are restricted to specific projects by laws, regulations or contractual agreements related to debt service and \$4,502,211 of amounts invested in capital assets. \$19,678,209 of these resources are unrestricted and are available to fund the City's outstanding obligations and future programs.
- Cash and investment balances as of November 30, 2003 were \$20,577,156 and current liabilities were \$2,260,592.
- Net assets decreased by \$2,317,185.
- Fund balances, a measure of current financial resources, in the governmental funds decreased \$5,915,343 to a total of \$21,666,988. \$12,929,536 is unreserved in the governmental funds and is available for future programs.
- The General Fund unreserved fund balance was \$13,422,957, or about 68.8% of total general fund expenditures.
- The City's total scheduled long-term debt was \$13,190,000.

**Overview of the Financial Statements**

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

*Government-wide Financial Statements*

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

City of Florissant, Missouri  
Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2003

The *statement of net assets* presents information on all the City's assets and liabilities, including long-term debt and capital assets in the governmental funds. The difference between assets and liabilities is reported as *net assets*. This is the first year that the City has adopted this new format as required by the Governmental Accounting Standards Board. In future years, we will be able to review the increases or decreases in net assets to analyze whether the financial position of the City is improving or deteriorating.

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

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

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

#### *Fund Financial Statements*

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

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

The reconciliation in the fund statements explains the difference between the governmental funds in the fund statements and the governmental activities found in the government-wide financial statements. This reconciliation will ex-

**City of Florissant, Missouri**  
**Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2003**

plain the adjustments necessary to compile the long-term resources and liabilities for the government-wide statements with the current picture presented in the fund statements.

Florissant uses the following governmental funds:

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

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

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

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

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

*Notes to the Financial Statements*

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

City of Florissant, Missouri

Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2003

**Government-wide Financial Analysis**

The first statement in the government-wide statements is the Statement of Net Assets. The following table summarizes the Statement of Net Assets.

**Net Assets of Governmental and Business-type Activities**  
**November 30, 2003**  
(in thousands)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
<b>Assets</b>			
Current and other assets	\$23,681	(11)	23,670
Capital assets	<u>14,546</u>	<u>3,148</u>	<u>17,694</u>
Total Assets	<u>38,227</u>	<u>3,137</u>	<u>41,364</u>
<b>Liabilities</b>			
Long-term debt outstanding	12,860	-	12,860
Other liabilities	<u>3,030</u>	<u>65</u>	<u>3,095</u>
Total Liabilities	<u>15,890</u>	<u>65</u>	<u>15,955</u>
<b>Net Assets</b>			
Invested in capital assets, net of debt	1,356	3,148	4,504
Restricted	1,303	-	1,303
Unrestricted (deficit)	<u>19,678</u>	<u>(76)</u>	<u>19,602</u>
Total Net Assets	<u>\$22,337</u>	<u>3,072</u>	<u>25,409</u>

Current assets include \$10 million from the sale of the water utility that has been designated for future capital items. \$1.3 million of the City's net assets are restricted to comply with provisions of various laws, regulations and contractual agreements related to debt service.

The second statement in the government-wide statements is the Statement of Activities. The following table outlines the major components of this statement.



City of Florissant, Missouri  
Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2003

Operating Results for the Year Ended November 30, 2003  
(in thousands)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Revenues:			
Program revenues:			
Charges for services	\$ 5,293	902	6,195
Operating grants and contribu- tions	431	-	431
Capital grants and contributions	771	-	771
General revenues:			
Sales tax	10,901	-	10,901
Utility tax	1,709	-	1,709
Investment income	768	-	768
Licenses and permits	684	-	684
Other general revenues	<u>918</u>	<u>-</u>	<u>918</u>
Total Revenues	<u>21,475</u>	<u>902</u>	<u>22,377</u>
Program Expenses:			
General government	4,065	-	4,065
Culture and recreation	5,045	1,078	6,123
Public safety	7,478	-	7,478
Public works	6,457	-	6,457
Interest on long-term debt	<u>571</u>	<u>-</u>	<u>571</u>
Total Expenses	<u>23,616</u>	<u>1,078</u>	<u>24,694</u>
Excess (deficiency) before transfers and special items	(2,141)	(176)	(2,317)
Transfers	<u>(58)</u>	<u>58</u>	<u>-</u>
Increase (decrease) in net assets	( <u>\$ 2,199</u> )	<u>(118)</u>	<u>(2,317)</u>

It is not possible to compare this year's financial statements to last year's because we did not prepare government-wide financial information for the governmental activities due to the adoption of GASB Statement No. 34 in 2003. But we can outline some broad observations about this year's operations.

Sales tax revenues of \$10.9 million comprised 50.8% of total governmental activities revenues and charges for services of \$5.3 million comprised 24.6% of total governmental activities revenues. Public Safety expense of \$7.5 million represents 31.7% of total governmental activities expenses followed closely by Public Works with expenses of \$6.5 million or 27.3%.

**Financial Analysis of the Government's Funds**

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

**City of Florissant, Missouri**  
**Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2003**

wide statements. Fund statements focus on current and short-term resources, while government-wide statements present the long-term view.

Financial information for the City's governmental funds is summarized in the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) – Governmental Funds. Fund balances decreased \$5,915,343, with \$4,068,900 of that decrease in General Fund. The effects of the City's population decline from the 2000 census combined with the slowdown in the economy are significant reasons for this decrease.

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

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

**General Fund Budgetary Highlights**

This year's format includes information about both the original budget and the amended budget.

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

- Transfers between departmental accounts.
- Appropriations from reserve balances to prevent budget overruns and to fund various projects and programs as they were identified as being desirable.

**Capital Asset and Debt Administration**

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

City of Florissant, Missouri  
 Management's Discussion and Analysis for the Fiscal Year Ended November 30, 2003

*Capital Assets*

City of Florissant's Capital Assets  
 (net of depreciation)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Land	\$ 2,402,108	2,174,160	4,576,268
Buildings and improvements	5,791,842	553,417	6,345,259
Improvements other than buildings	2,452,363	266,623	2,718,986
Equipment	2,963,152	154,147	3,117,299
Infrastructure	372,669	-	372,669
Construction in progress	<u>563,730</u>	<u>-</u>	<u>563,730</u>
Total	<u>\$14,545,864</u>	<u>3,148,347</u>	<u>17,694,211</u>

*Long-term Debt*

The City's scheduled long-term debt is summarized in the following table.

City of Florissant's Outstanding Debt

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Series 2002	<u>\$13,190,000</u>	<u>-</u>	<u>13,190,000</u>

The City has \$13.19 million in notes outstanding from the 2002 certificates of participation issued to renovate the James J. Eagan and John F. Kennedy community centers. This debt decreased \$840,000 during the year which represents 6% of last year's amount. More detailed information about the City's long-term liabilities is presented in the notes to the financial statements.

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

The City has other long-term debt related to pension contributions payable of \$504,817.

**The Outlook for Next Year**

At this time, the most significant factor likely to impact the fiscal year 2003-2004 budget will be the health of the local and national economy. Current economic forecasts are generally positive which should have a positive impact on revenue. Continued redevelopment of commercial properties will have a positive effect although this will be muted somewhat in the short-term by the use of various redevelopment financing tools and in the long-term by virtue of the City being predominately in pooled arrangements for distribution of the sales tax. Sales tax receipts represent the largest single source of revenue for the City.

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

**CITY OF FLORISSANT, MISSOURI**

STATEMENT OF NET ASSETS

NOVEMBER 30, 2003

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
<b>ASSETS</b>				
Cash	\$ 2,509,606	-	2,509,606	10,477
Investments	16,764,752	-	16,764,752	-
Receivables:				
Taxes	2,382,017	-	2,382,017	-
Interest	147,450	-	147,450	-
Intergovernmental	399,830	-	399,830	-
Other	41,972	-	41,972	-
Internal balances	38,757	(38,757)	-	-
Due from fiduciary fund	94,091	-	94,091	-
Inventories	-	27,382	27,382	-
Restricted assets:				
Cash	32,932	-	32,932	-
Investments	1,269,866	-	1,269,866	-
Capital assets:				
Land and construction in progress	2,965,838	2,174,160	5,139,998	-
Other capital assets, net of accumulated depreciation	11,580,026	974,187	12,554,213	-
Total Assets	<u>38,227,137</u>	<u>3,136,972</u>	<u>41,364,109</u>	<u>10,477</u>
<b>LIABILITIES</b>				
Bank overdraft	-	25,422	25,422	-
Accounts payable	897,974	3,810	901,784	-
Accrued interest payable	181,164	-	181,164	-
Compensated absences and accrued payroll	1,116,311	35,911	1,152,222	-
Noncurrent liabilities:				
Due within one year	835,000	-	835,000	-
Due in more than one year	12,859,817	-	12,859,817	-
Total Liabilities	<u>15,890,266</u>	<u>65,143</u>	<u>15,955,409</u>	<u>-</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	1,355,864	3,148,347	4,504,211	-
Restricted	1,302,798	-	1,302,798	-
Unrestricted	19,678,209	(76,518)	19,601,691	10,477
Total Net Assets	<u>\$ 22,336,871</u>	<u>3,071,829</u>	<u>25,408,700</u>	<u>10,477</u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**NOVEMBER 30, 2003**

FUNCTIONS/PROGRAMS	Net Revenue (Expense) And Changes In Net Assets						Component Unit
	Program Revenues			Primary Government		Industrial Development Authority	
	Expenses	Charges for Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities		
Primary Government							
Governmental Activities							
General government	\$ 4,064,906	-	305,491	-	(3,759,415)	-	(3,759,415)
Culture and recreation	5,045,190	908,309	-	102,845	(4,034,036)	-	(4,034,036)
Public safety	7,478,284	1,367,744	114,203	-	(5,996,337)	-	(5,996,337)
Public works	6,457,094	3,016,896	11,083	667,797	(2,761,318)	-	(2,761,318)
Interest on long-term debt	570,403	-	-	-	(570,403)	-	(570,403)
Total Governmental Activities	23,615,877	5,292,949	430,777	770,642	(17,121,509)	-	(17,121,509)
Business-type Activities							
Golf course	1,077,902	901,654	-	-	(176,248)	-	(176,248)
Total Primary Government	\$ 24,693,779	6,194,603	430,777	770,642	(17,121,509)	-	(17,297,757)
Component Unit							
Industrial Development Authority	\$ 22,045	-	-	-	-	-	(22,045)
General Revenues							
Taxes:							
Sales					10,900,666	-	10,900,666
Utility					1,708,635	-	1,708,635
Other					194,554	-	194,554
Investment income					768,317	-	768,317
Licenses and permits					683,810	-	683,810
Other					724,590	-	724,590
Transfers					(58,335)	58,335	-
Total General Revenues					14,922,237	58,335	14,980,572
Change In Net Assets					(2,199,272)	(117,913)	(2,317,185)
Net Assets, December 1					24,536,143	3,189,742	27,725,885
Net Assets, November 30					\$ 22,336,871	3,071,829	25,408,700

See notes to financial statements

**CITY OF FLORISSANT, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**NOVEMBER 30, 2003**

	General Fund	Capital Improvements Fund	Park Improvement Fund	Sewer Lateral Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash	\$ 1,354,507	474,972	203,159	228,787	103,921	-	144,260	2,509,606
Investments	10,590,949	702,104	175,000	-	5,296,699	-	-	16,764,752
Receivables:								
Taxes	1,572,775	521,348	264,692	23,202	-	-	-	2,382,017
Interest	126,014	678	479	-	20,279	-	-	147,450
Intergovernmental	-	399,830	-	-	-	-	-	399,830
Other	41,972	-	-	-	-	-	-	41,972
Restricted assets:								
Cash	-	-	-	-	-	32,932	-	32,932
Investments	-	-	-	-	-	1,269,866	-	1,269,866
Due from other funds	1,146,202	-	20,798	-	-	-	-	1,167,000
<b>Total Assets</b>	<b>\$ 14,832,419</b>	<b>2,098,932</b>	<b>664,128</b>	<b>251,989</b>	<b>5,420,899</b>	<b>1,302,798</b>	<b>144,260</b>	<b>24,715,425</b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities</b>								
Accounts payable	\$ 158,064	498,034	88,575	2,996	149,115	-	1,190	897,974
Compensated absences and accrued payroll	1,108,969	-	-	2,230	-	-	5,112	1,116,311
Due to other funds	-	-	-	1,034,152	-	-	-	1,034,152
<b>Total Liabilities</b>	<b>1,267,033</b>	<b>498,034</b>	<b>88,575</b>	<b>1,039,378</b>	<b>149,115</b>	<b>-</b>	<b>6,302</b>	<b>3,048,437</b>
<b>Fund Balances (Deficit)</b>								
Reserved for:								
Encumbrances	110,195	2,273,163	24,772	2,781	4,654,237	-	241,872	7,307,020
Park improvements	-	-	95,400	-	-	-	-	95,400
Protested taxes	32,234	-	-	-	-	-	-	32,234
Debt service	-	-	-	-	-	1,302,798	-	1,302,798
Unreserved, reported in:								
General Fund:								
Designated for future capital items	10,000,000	-	-	-	-	-	-	10,000,000
Unreserved - undesignated	3,422,957	-	-	-	-	-	-	3,422,957
Special Revenue Funds	-	(672,265)	455,381	(790,170)	-	-	(103,914)	(1,110,968)
Capital Projects Fund	-	-	-	-	617,547	-	-	617,547
<b>Total Fund Balances (Deficit)</b>	<b>13,565,386</b>	<b>1,600,898</b>	<b>575,553</b>	<b>(787,389)</b>	<b>5,271,784</b>	<b>1,302,798</b>	<b>137,958</b>	<b>21,666,988</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 14,832,419</b>	<b>2,098,932</b>	<b>664,128</b>	<b>251,989</b>	<b>5,420,899</b>	<b>1,302,798</b>	<b>144,260</b>	<b>24,715,425</b>

See notes to financial statements

**CITY OF FLORISSANT, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**NOVEMBER 30, 2003**

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Total Fund Balances - Governmental Funds \$ 21,666,988

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$22,236,919 and the accumulated depreciation is \$7,691,055. 14,545,864

Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Accrued interest payable	(181,164)
Certificates of participation and pension contribution payable	<u>(13,694,817)</u>

Net Assets Of Governmental Activities \$ 22,336,871



**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**(DEFICIT) - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	General Fund	Capital Improvements Fund	Park Improvement Fund	Sewer Lateral Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Fees	\$ 10,566,179	2,796,560	1,525,837	431,830	-	-	-	15,320,406
Licenses and permits	1,184,155	-	-	-	-	-	-	1,184,155
Charges for services	908,309	-	-	-	-	-	-	908,309
Other	723,811	-	-	649	-	-	130	724,590
Investment income	550,521	28,135	13,147	3,857	113,053	58,183	1,421	768,317
Fines and forfeitures	1,367,744	-	-	-	-	-	-	1,367,744
Intergovernmental	141,227	667,797	102,845	-	-	-	289,550	1,201,419
Total Revenues	15,441,946	3,492,492	1,641,829	436,336	113,053	58,183	291,101	21,474,940
<b>EXPENDITURES</b>								
Current:								
General government	3,771,104	-	-	-	-	-	277,201	4,048,305
Culture and recreation	3,492,303	-	617,412	-	-	-	-	4,109,715
Public safety	7,675,564	-	-	-	-	-	-	7,675,564
Public works	4,571,875	-	-	372,002	-	-	-	4,943,877
Capital outlay	-	2,902,953	713,456	-	1,551,500	-	-	5,167,909
Debt service	-	-	-	-	-	1,386,578	-	1,386,578
Total Expenditures	19,510,846	2,902,953	1,330,868	372,002	1,551,500	1,386,578	277,201	27,331,948
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,068,900)</b>	<b>589,539</b>	<b>310,961</b>	<b>64,334</b>	<b>(1,438,447)</b>	<b>(1,328,395)</b>	<b>13,900</b>	<b>(5,857,008)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	(761,458)	(635,563)	-	-	1,338,686	-	1,338,686
Transfers out	-	(761,458)	(635,563)	-	-	-	-	(1,397,021)
Total Other Financing Sources (Uses)	-	(1,522,916)	(1,271,126)	-	-	1,338,686	-	(58,335)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(4,068,900)</b>	<b>(171,919)</b>	<b>(324,602)</b>	<b>64,334</b>	<b>(1,438,447)</b>	<b>10,291</b>	<b>13,900</b>	<b>(5,915,343)</b>
<b>FUND BALANCES (DEFICIT), DECEMBER 1</b>	<b>17,634,286</b>	<b>1,772,817</b>	<b>900,155</b>	<b>(851,723)</b>	<b>6,710,231</b>	<b>1,292,507</b>	<b>124,058</b>	<b>27,582,331</b>
<b>FUND BALANCES (DEFICIT), NOVEMBER 30</b>	<b>\$ 13,565,386</b>	<b>1,600,898</b>	<b>575,553</b>	<b>(787,389)</b>	<b>5,271,784</b>	<b>1,302,798</b>	<b>137,958</b>	<b>21,666,988</b>

**CITY OF FLORISSANT, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

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Net Change In Fund Balances - Governmental Funds \$ (5,915,343)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$3,855,459) exceed depreciation (\$987,889) in the current period. 2,867,570

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net assets. (6,423)

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

Accrued interest payable	(23,825)	
Certificates of participation principal payments	840,000	
Pension contribution payable	38,749	
Net Adjustment		854,924

Change In Net Assets Of Governmental Activities \$ (2,199,272)

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF NET ASSETS - ENTERPRISE FUND**  
**NOVEMBER 30, 2003**

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**ASSETS**

Inventory	\$ 27,382
Capital assets, net of accumulated depreciation	3,148,347
Total Assets	<u>3,175,729</u>

**LIABILITIES**

Bank overdraft	25,422
Accounts payable	3,810
Compensated absences and accrued payroll	35,911
Due to other funds	38,757
Total Liabilities	<u>103,900</u>

**NET ASSETS**

Invested in capital assets, net of related debt	3,148,347
Unrestricted	<u>(76,518)</u>
Total Net Assets	<u>\$ 3,071,829</u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

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<b>OPERATING REVENUES</b>	\$ 901,654
<b>OPERATING EXPENSES</b>	<u>1,079,305</u>
<b>OPERATING LOSS</b>	<u>(177,651)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Miscellaneous income	3,443
Interest and fiscal charges	<u>(2,040)</u>
Total Nonoperating Revenues (Expenses)	<u>1,403</u>
<b>LOSS BEFORE TRANSFERS IN</b>	(176,248)
<b>TRANSFERS IN</b>	<u>58,335</u>
<b>NET LOSS</b>	(117,913)
<b>NET ASSETS, DECEMBER 1</b>	<u>3,189,742</u>
<b>NET ASSETS, NOVEMBER 30</b>	<u><u>\$ 3,071,829</u></u>

See notes to financial statements\_

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF CASH FLOWS -**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

<b>Cash flows from operating activities:</b>	
Receipts from customers and users	\$ 901,654
Payments to suppliers	(976,933)
Net Cash Used In Operating Activities	<u>(75,279)</u>
 <b>Cash flows from noncapital financing activities:</b>	
Advance from other funds	12,121
Transfers in	58,335
Net Cash Provided By Noncapital Financing Activities	<u>70,456</u>
 <b>Cash flows used in capital and related financing activities:</b>	
Payments for capital acquisitions	<u>(59,011)</u>
 <b>Cash flows from investing activities:</b>	
Other income	3,443
Other expenses	(2,040)
Net Cash Provided By Investing Activities	<u>1,403</u>
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	 <b>(62,431)</b>
 <b>CASH AND CASH EQUIVALENTS, DECEMBER 1</b>	 <u>62,431</u>
 <b>CASH AND CASH EQUIVALENTS, NOVEMBER 30</b>	 <u><u>\$ -</u></u>

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

Operating loss	<u>\$ (177,651)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	114,060
(Increase) decrease in:	
Inventory	(4,808)
Increase (decrease) in:	
Bank overdraft	25,422
Accounts payable	(34,320)
Compensated absences and accrued payroll	2,018
Total Adjustments	<u>102,372</u>
 Net Cash Used In Operating Activities	 <u><u>\$ (75,279)</u></u>

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS - FUDUCIARY FUNDS**  
**NOVEMBER 30, 2003**

	Pension Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash	\$ -	768,592
Investments	9,422,647	-
Total Assets	9,422,647	768,592
<b>LIABILITIES</b>		
Due to others:		
Court bonds	-	416,728
Construction deposits	-	70,306
Other deposits	-	187,467
	-	674,501
Due to other funds	-	94,091
Total Liabilities	-	768,592
<b>NET ASSETS</b>		
Held in trust for pension benefits	\$ 9,422,647	-

See notes to financial statements

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -**  
**PENSION TRUST FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

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**ADDITIONS**

Employer contributions	<u>\$ 587,206</u>
Investment income (loss):	
Net appreciation (depreciation) in fair value of investments and interest and dividends	1,182,010
Investment expense	<u>(41,290)</u>
Net Investment Income (Loss)	<u>1,140,720</u>
Total Additions - Net	<u>1,727,926</u>

**DEDUCTIONS**

Benefits	<u>127,695</u>
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**NET INCREASE**

1,600,231

NET ASSETS HELD IN TRUST FOR PENSION  
 BENEFITS, DECEMBER 1

7,822,416

**NET ASSETS HELD IN TRUST FOR PENSION  
 BENEFITS, NOVEMBER 30**

\$ 9,422,647

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Reporting Entity**

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

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

**2. Government-wide and Fund Financial Statements**

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

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



**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the government reports the following fund types:

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

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

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

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

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

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

**4. Budgets and Budgetary Accounting**

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

- a. The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following December 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted in the City to obtain taxpayer comments.
- c. The budget shall be adopted by the affirmative vote of a majority of the members of the Council no later than three days prior to the end of each respective fiscal year. Should the Council take no final action by this date, the budget, as submitted, shall be deemed to have been 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.

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

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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

**7. Advances To/From Other Funds**

Noncurrent portions of long-term interfund loans receivable (reported in "advances to" asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of long-term interfund loans receivable (reported in "due from" asset accounts) are considered "available spendable resources" and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances".

**8. Capital Assets**

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

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

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**8. Capital Assets (Continued)**

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

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

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

**9. Encumbrances**

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

**10. Compensated Absences**

Vested or accumulated vacation leave and comp time that are expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. 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**

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. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**12. Long-Term Obligations (Continued)**

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

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

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation. As of November 30, 2003, 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.

	<u>Categories</u>			<u>November 30, 2003</u> <u>Fair Value/ Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U.S. government and agency securities	\$9,509,618	-	-	9,509,618
Investment in pension plan pooled investments				9,422,647
Reconciling item to financial statement presentation - certificates of deposit presented as investments				<u>8,525,000</u>
Total Investments				<u>\$27,457,265</u>

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

	For The Year Ended November 30, 2003			
	Balance November 30 2002	Additions	Deletions	Balance November 30 2003
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 2,402,108	-	-	2,402,108
Construction in process	<u>          -</u>	<u>563,730</u>	<u>          -</u>	<u>563,730</u>
Total Capital Assets, Not Being Depreciated	<u>2,402,108</u>	<u>563,730</u>	<u>          -</u>	<u>2,965,838</u>
Capital assets, being depreciated:				
Buildings	10,323,159	259,595	-	10,582,754
Improvements	921,711	1,721,960	-	2,643,671
Infrastructure	-	380,274	-	380,274
Equipment	<u>4,912,374</u>	<u>929,900</u>	<u>177,892</u>	<u>5,664,382</u>
Total Capital Assets, Being Depreciated	<u>16,157,244</u>	<u>3,291,729</u>	<u>177,892</u>	<u>19,271,081</u>
Less - Accumulated depreciation for:				
Buildings	4,494,162	296,750	-	4,790,912
Improvements	103,600	87,708	-	191,308
Infrastructure	-	7,605	-	7,605
Equipment	<u>2,276,873</u>	<u>595,826</u>	<u>171,469</u>	<u>2,701,230</u>
Total Accumulated Depreciation	<u>6,874,635</u>	<u>987,889</u>	<u>171,469</u>	<u>7,691,055</u>
Total Capital Assets, Being Depreciated, Net	<u>9,282,609</u>	<u>2,303,840</u>	<u>6,423</u>	<u>11,580,026</u>
Governmental Activities Capital Assets, Net	<u>\$11,684,717</u>	<u>2,867,570</u>	<u>6,423</u>	<u>14,545,864</u>
 <b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Land	\$2,174,160	-	-	2,174,160
Capital assets, being depreciated:				
Buildings and improvements	717,432	13,475	-	730,907
Equipment	539,420	17,536	-	556,956
Land improvements	<u>328,816</u>	<u>28,000</u>	<u>          -</u>	<u>356,816</u>
Total Capital Assets, Being Depreciated	<u>1,585,668</u>	<u>59,011</u>	<u>          -</u>	<u>1,644,679</u>
Less - Accumulated depreciation for:				
Buildings and improvements	145,746	31,744	-	177,490
Equipment	336,036	66,773	-	402,809
Land improvements	<u>74,650</u>	<u>15,543</u>	<u>          -</u>	<u>90,193</u>
Total Accumulated Depreciation	<u>556,432</u>	<u>114,060</u>	<u>          -</u>	<u>670,492</u>
Total Capital Assets, Being Depreciated, Net	<u>1,029,236</u>	<u>(55,049)</u>	<u>          -</u>	<u>974,187</u>
Business-type Activities Capital Assets, Net	<u>\$3,203,396</u>	<u>(55,049)</u>	<u>          -</u>	<u>3,148,347</u>

The City adjusted its beginning capital asset balance by a \$4,063,882 reduction to implement capital asset policy changes to capitalize items only over \$5,000 and for a physical inventory.

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS (Continued)**

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

	<u>For The Year Ended November 30 2003</u>
Governmental activities:	
General government	\$ 24,695
Public safety	348,167
Public works, including depreciation of infrastructure assets	192,779
Culture and recreation	<u>422,248</u>
	<u>\$987,889</u>
Business-type activities:	
Golf course	<u>\$114,060</u>

**NOTE D - LONG-TERM DEBT**

Long-term debt consists of the following:

	<u>November 30 2003</u>
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>\$13,190,000</u>

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

<u>For The Years Ended November 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	940,000	438,006	1,378,006
2009 - 2013	3,325,000	1,730,787	5,055,787
2014 - 2018	3,280,000	1,005,400	4,285,400
2019 - 2022	<u>2,135,000</u>	<u>273,500</u>	<u>2,408,500</u>
Total	<u>\$13,190,000</u>	<u>5,472,769</u>	<u>18,662,769</u>



**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - LONG-TERM DEBT (Continued)**

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

	For The Year Ended November 30, 2003			Balance November 30 2003
	Balance November 30 2002	Additions	Reductions	
	Certificates of participation	\$14,030,000	-	
Pension contribution payable	543,566	-	38,749	504,817
	\$14,573,566	-	878,749	13,694,817

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

**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, 2002, which is the date of the latest actuarial valuation available, was \$2,391,017 and the City's total payroll was \$12,417,251.

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

Membership in the Plan is comprised of the following:

Group	November 30 2002
Retirees and beneficiaries currently receiving benefits	10
Vested terminated employees and active employees	121

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.

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)**

**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>
2002	\$ 8,414,984	\$12,258,348	\$3,843,364
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

<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>
2002	68.6%	\$2,391,017	160.7%
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>
2002	\$ 553,987	\$ 586,713	105.9%
2001	545,043	740,000	135.8
2000	1,267,997	1,185,000	93.5
1999	999,116	1,000,000	100.1
1998	1,058,290	1,028,200	97.2
1997	1,069,319	900,000	84.2

**CITY OF FLORISSANT, MISSOURI**  
NOTES TO FINANCIAL STATEMENTS

**NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)**

**2. Funding Status and Progress (Continued)**

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.

**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>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>
2002	\$ 547,964	107.1%	\$504,817	(\$ 38,749)
2001	537,811	137.6	543,566	(202,189)
2000	1,262,348	93.9	745,755	77,348
1999	994,177	100.6	668,407	(5,823)
1998	1,054,204	97.5	674,230	26,004
1997	1,066,730	84.4	648,226	166,730

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E - EMPLOYEE RETIREMENT SYSTEM AND PLAN (Continued)**

4. **Trend Information (Continued)**

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

**NOTE F - PROPERTY TAXES**

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

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

**NOTE G - INSURANCE**

The City managed risks of loss related to employee life, health and disability, workers' compensation, property and liability by purchasing commercial insurance during the year ended November 30, 2003.

There was no significant reductions in insurance coverage during the year ended November 30, 2003 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

**NOTE H - DEFICIT BALANCES**

The Sewer Lateral Fund, a Special Revenue Fund, had a deficit fund balance at November 30, 2003 of \$787,389. This fund deficit resulted from expenditures to be funded with future revenues.

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE I - CONTINGENCIES AND COMMITMENTS**

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

The IDA has provided TIF notes to developers for economic development projects. The total aggregate principal amount outstanding at November 30, 2003 was \$14,403,000. In December 2003, the IDA authorized \$19,040,000 of TIF bonds to refinance its TIF notes outstanding.

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

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

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

Contributions are fully vested after seven years of continuous service. Contributions to the plan for the year ended November 30, 2003, amounted to \$199,043 for employee and \$997,887 for the City.

**NOTE K - 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.

Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate principal maturities of outstanding bonds at November 30, 2003 was \$5,267,074.

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE L - ACCOUNTING CHANGE AND RESTATEMENT OF FUND BALANCE**

During fiscal year 2003, the City adopted GASB Statement No. 34 (GASB No. 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37 (GASB No. 37), *Basic Financial Statement - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38 (GASB No. 38), *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB No. 34 (as amended by GASB No. 37) represents a very significant change in the financial reporting model used by state and local governments.

GASB No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting. Government-wide financial statements do not provide information by fund or account group, but distinguish between the City's governmental activities on the statement of net assets and statement of activities. Additionally, the City's statement of net assets includes capital assets and long-term liabilities of the City which were previously recorded in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. In addition to the fixed assets previously recorded in the General Fixed Assets Account Group, the City will retroactively capitalize infrastructure assets. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which continue to use the modified accrual basis of accounting for the City's governmental funds and agency funds, which is similar to that previously presented for these funds in the City's financial statements, although the format of financial statements has been modified by GASB No. 34.

GASB No. 34 also includes, as required supplementary information, Management's Discussion and Analysis (MD&A), which provides an analytical overview of the City's financial activities. In addition, budgetary comparison schedules are presented which compare the original and final revised budget with actual results.

GASB No. 38 requires certain disclosures to be made in the notes to the basic financial statements concurrent with the implementation of GASB No. 34. While this statement did not affect amounts reported in the financial statements of the City, certain note disclosures have been added and amended including descriptions of activities of major funds, future debt service and lease obligations in five year increments and interfund balances and transactions.

These statements had a significant effect on the City's financial reporting model. All statements were retroactively applied to December 1, 2002. Restatement of net assets within the government-wide financial statements is as follows:

**CITY OF FLORISSANT, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE L - ACCOUNTING CHANGE AND RESTATEMENT OF FUND BALANCE**  
**(Continued)**

General Fund	\$17,634,286
Special Revenue Funds	1,945,307
Capital Projects Funds	6,710,231
Debt Service Fund	<u>1,292,507</u>
Total Fund Equity, November 30, 2002	27,582,331
Required GASB No. 34 adjustments:	
Capital assets, net accumulated depreciation	11,684,717
Long-term and other liabilities	(14,573,566)
Interest liability	<u>(157,339)</u>
Total Net Assets, November 30, 2002	<u>\$24,536,143</u>

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**

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**REQUIRED SUPPLEMENTAL INFORMATION SECTION**



**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>TAXES</b>				
Cigarette tax	\$ 204,000	204,000	196,950	(7,050)
Gasoline tax	1,740,000	1,740,000	1,673,825	(66,175)
Road and bridge tax	470,500	470,500	419,368	(51,132)
Sales tax	6,865,000	6,865,000	6,592,205	(272,795)
Utility tax	1,690,000	1,690,000	1,702,738	12,738
Total Taxes	<u>10,969,500</u>	<u>10,969,500</u>	<u>10,585,086</u>	<u>(384,414)</u>
<b>LICENSES AND PERMITS</b>				
Business licenses	615,000	615,000	628,963	13,963
Liquor license	28,000	28,000	33,292	5,292
Building permits	200,000	200,000	318,178	118,178
Minimum housing	90,000	90,000	158,777	68,777
Annual sign fee	20,000	20,000	21,554	1,554
Other permits - excavating	20,000	20,000	23,390	3,390
Total Licenses And Permits	<u>973,000</u>	<u>973,000</u>	<u>1,184,154</u>	<u>211,154</u>
<b>CHARGES FOR SERVICES</b>				
Skateboard park	9,000	9,000	4,009	(4,991)
Classes (except skate/swim)	60,000	60,000	78,153	18,153
Gym rental	15,000	15,000	14,957	(43)
Ice rink	70,000	70,000	72,738	2,738
Swimming pool - FCC	90,000	90,000	114,805	24,805
Swimming pool - Bangert	30,000	30,000	58,296	28,296
Swimming pool - Koch	160,000	160,000	150,639	(9,361)
Miscellaneous	75,000	75,000	101,857	26,857
Playground	34,000	34,000	34,462	462
Theatre	145,000	145,000	144,808	(192)
Concessions	110,000	110,000	133,585	23,585
Total Charges For Services	<u>798,000</u>	<u>798,000</u>	<u>908,309</u>	<u>110,309</u>
<b>OTHER</b>				
Other miscellaneous	150,000	150,000	264,284	114,284
Cable television	460,500	460,500	439,896	(20,604)
Senior citizen luncheons	15,000	15,000	17,607	2,607
Total Other	<u>625,500</u>	<u>625,500</u>	<u>721,787</u>	<u>96,287</u>
<b>INVESTMENT INCOME</b>	<u>350,000</u>	<u>350,000</u>	<u>573,149</u>	<u>223,149</u>
<b>FINES AND FORFEITURES</b>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,400,686</u>	<u>200,686</u>
<b>INTERGOVERNMENTAL</b>	<u>200,000</u>	<u>200,000</u>	<u>141,227</u>	<u>(58,773)</u>
Total Revenues	<u>15,116,000</u>	<u>15,116,000</u>	<u>15,514,398</u>	<u>398,398</u>

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Legislative:				
Salaries	100,220	100,220	98,334	(1,886)
Legislative benefits	22,380	22,380	21,420	(960)
Dues, travel & training	27,000	27,000	21,107	(5,893)
Total Legislative	<u>149,600</u>	<u>149,600</u>	<u>140,861</u>	<u>(8,739)</u>
Administrative:				
Salaries	874,590	874,590	831,816	(42,774)
Employees' benefits	308,890	308,890	288,719	(20,171)
Residency incentive program	132,000	137,000	136,350	(650)
Unemployment claim res.	10,000	32,000	24,595	(7,405)
City hall & litigation	22,200	32,200	20,926	(11,274)
Postage & printing	63,000	63,000	42,069	(20,931)
Telephone	73,000	73,000	72,989	(11)
Office supplies/printing	40,000	45,000	27,656	(17,344)
Copy equipment rental/supplies	29,000	29,000	20,588	(8,412)
Mayor's expenditures	20,000	20,000	18,116	(1,884)
Dues, travel & training	13,500	14,500	13,822	(678)
Professional services	271,900	399,400	360,094	(39,306)
Legal notices & adver.	20,500	32,500	30,027	(2,473)
Service awards	16,000	16,000	14,959	(1,041)
Insurance, fire & liability	647,500	743,500	693,144	(50,356)
Organization dues	24,900	24,900	19,554	(5,346)
Boards & commissions	9,000	9,000	4,376	(4,624)
Election expenditure	15,000	15,000	14,904	(96)
Total Administrative	<u>2,590,980</u>	<u>2,869,480</u>	<u>2,634,704</u>	<u>(234,776)</u>
Senior services:				
Salaries	182,140	181,140	155,175	(25,965)
Employees' benefits	50,130	50,130	46,786	(3,344)
Uniforms & allowances	1,000	1,000	900	(100)
F.L.E.R.T.	10,000	10,000	8,950	(1,050)
Senior citizen buses	8,000	8,000	4,840	(3,160)
Bldg. mntn., & supplies	5,000	6,000	5,683	(317)
Office supplies/printing	3,800	3,800	3,049	(751)
Dues, travel & training	500	500	182	(318)
Senior citizen luncheons	22,000	22,000	20,936	(1,064)
Total Senior Services	<u>282,570</u>	<u>282,570</u>	<u>246,501</u>	<u>(36,069)</u>

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>GENERAL GOVERNMENT (Continued)</b>				
Media:				
Salaries	125,480	125,480	121,285	(4,195)
Employees' benefits	39,700	39,700	39,684	(16)
Equipment repairs	1,500	1,500	442	(1,058)
Office supplies/printing	2,000	2,000	1,937	(63)
Materials & supplies	2,500	2,500	2,167	(333)
Dues, travel & training	1,200	1,200	1,136	(64)
Professional services	85,300	85,300	58,386	(26,914)
Organization dues	100	100	-	(100)
Total Media	257,780	257,780	225,037	(32,743)
Municipal court:				
Salaries	303,860	307,860	237,320	(70,540)
Employees' benefits	70,460	70,460	64,767	(5,693)
Office supplies/printing	4,000	4,000	3,693	(307)
Dues, travel & training	5,500	5,500	2,848	(2,652)
Professional services	95,700	103,710	100,856	(2,854)
Total Municipal Court	479,520	491,530	409,484	(82,046)
Economic development:				
Salaries	48,680	48,680	48,600	(80)
Employees' benefits	13,850	13,850	13,820	(30)
Office supplies/printing	500	500	478	(22)
Dues, travel & training	7,500	7,500	6,962	(538)
Total Economic Development	70,530	70,530	69,860	(670)
Housing center:				
Salaries	45,300	45,300	45,161	(139)
Employees' benefits	14,900	14,900	14,899	(1)
Office supplies/printing	2,000	2,000	1,919	(81)
Dues, travel & training	2,000	2,000	557	(1,443)
Professional services	1,000	1,000	389	(611)
Total Housing Center	65,200	65,200	62,925	(2,275)
Total General Government	3,896,180	4,186,690	3,789,372	(397,318)

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>CULTURE AND RECREATION</b>				
Community and civic center:				
Salaries	993,540	1,009,940	965,678	(44,262)
Employees' benefits	191,530	192,470	184,850	(7,620)
Total Community & Civic Center	<u>1,185,070</u>	<u>1,202,410</u>	<u>1,150,528</u>	<u>(51,882)</u>
Recreation - theatre:				
Salaries	154,930	154,930	151,619	(3,311)
Employees' benefits	47,130	47,130	39,940	(7,190)
Uniforms & allowances	250	250	231	(19)
Bldg., mntn., & supplies	7,400	7,400	7,161	(239)
Office supplies/printing	8,550	8,550	7,483	(1,067)
Dues, travel & training	4,550	4,550	4,431	(119)
Theatre workshop	45,950	50,150	49,585	(565)
Publicity	7,650	7,650	7,564	(86)
Total Recreation - Theatre	<u>276,410</u>	<u>280,610</u>	<u>268,014</u>	<u>(12,596)</u>
Recreation - playground:				
Salaries	128,120	128,120	118,427	(9,693)
Employees' benefits	9,800	9,800	9,059	(741)
Total Recreation - Playground	<u>137,920</u>	<u>137,920</u>	<u>127,486</u>	<u>(10,434)</u>
Recreation - Bangert:				
Salaries	143,660	143,660	118,549	(25,111)
Employees' benefits	11,030	11,030	9,069	(1,961)
Total Recreation - Bangert	<u>154,690</u>	<u>154,690</u>	<u>127,618</u>	<u>(27,072)</u>
Recreation - parks:				
Salaries	1,220,370	1,236,370	1,206,034	(30,336)
Employees' benefits	377,780	379,000	369,957	(9,043)
Total Recreation - Parks	<u>1,598,150</u>	<u>1,615,370</u>	<u>1,575,991</u>	<u>(39,379)</u>
Recreation - Koch Aquatic center:				
Salaries	274,810	274,810	226,851	(47,959)
FICA	21,020	21,020	17,354	(3,666)
Total Recreation - Koch Aquatic Center	<u>295,830</u>	<u>295,830</u>	<u>244,205</u>	<u>(51,625)</u>
Total Culture And Recreation	<u>3,648,070</u>	<u>3,686,830</u>	<u>3,493,842</u>	<u>(192,988)</u>

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
<b>PUBLIC SAFETY</b>				
Police:				
Salaries	5,282,490	5,265,490	5,204,906	(60,584)
Employees' benefits	1,744,000	1,744,000	1,703,098	(40,902)
Uniforms & allowances	55,000	55,000	53,799	(1,201)
Utilities	40,000	40,000	38,926	(1,074)
Gasoline	60,000	85,000	84,087	(913)
Bldg., mntn., & supplies	30,450	31,450	30,010	(1,440)
Equipment repairs - vehicles	15,000	21,000	19,468	(1,532)
Office supplies/printing	27,700	27,700	26,812	(888)
Copy equipment-rental/supply	13,000	13,000	11,769	(1,231)
Communication service	186,300	186,300	179,555	(6,745)
Ammunition-armory supplies	5,500	5,500	5,432	(68)
Dues, travel & training	38,060	45,560	45,113	(447)
Total Public Safety - Police	<u>7,497,500</u>	<u>7,520,000</u>	<u>7,402,975</u>	<u>(117,025)</u>
<b>PUBLIC WORKS</b>				
Public works:				
Salaries	1,965,870	1,965,870	1,854,713	(111,157)
Employees' benefits	693,060	693,060	646,359	(46,701)
Uniforms & allowances	14,000	14,000	10,814	(3,186)
Utilities	70,000	70,000	67,217	(2,783)
Gasoline	44,000	44,000	18,258	(25,742)
Office supplies/printing	20,000	20,000	19,693	(307)
Ice/snow removal	40,000	138,000	137,772	(228)
Dues, travel & training	35,000	49,300	36,521	(12,779)
Professional services	45,000	65,000	40,365	(24,635)
Street lighting	497,000	497,000	447,291	(49,709)
Total Public Works	<u>3,423,930</u>	<u>3,556,230</u>	<u>3,279,003</u>	<u>(277,227)</u>
Health:				
Salaries	343,110	343,110	333,640	(9,470)
Employees' benefits	97,860	97,860	96,625	(1,235)
Uniforms & allowances	2,710	2,710	2,197	(513)
Utilities	8,000	8,000	6,120	(1,880)
Gasoline	9,000	9,000	7,298	(1,702)
Bldg., mntn., & supplies	9,000	9,000	7,116	(1,884)

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>PUBLIC WORKS (Continued):</b>				
Health (continued):				
Office supplies/printing	4,000	4,000	3,818	(182)
Materials & supplies	30,000	30,000	29,681	(319)
Dues, travel & training	500	500	70	(430)
Professional services	28,500	36,500	32,637	(3,863)
Total Health	532,680	540,680	519,202	(21,478)
Total Public Works	3,956,610	4,096,910	3,798,205	(298,705)
Total Expenditures	18,998,360	19,490,430	18,484,394	(1,006,036)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>\$ (3,882,360)</u>	<u>(4,374,430)</u>	<u>(2,969,996)</u>	<u>1,404,434</u>
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			(72,452)	
Expenditure accrual adjustments			413,242	
Encumbrance adjustments			(1,439,694)	
			<u>(1,098,904)</u>	
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES - GAAP BASIS</b>			(4,068,900)	
FUND BALANCES, DECEMBER 1			17,634,286	
FUND BALANCES, NOVEMBER 30			<u>\$ 13,565,386</u>	

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,970,000	2,970,000	2,815,206	(154,794)
Investment income	50,000	50,000	34,758	(15,242)
Intergovernmental	2,232,000	2,232,000	267,967	(1,964,033)
Total Revenues	<u>5,252,000</u>	<u>5,252,000</u>	<u>3,117,931</u>	<u>(2,134,069)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>4,826,100</u>	<u>5,237,350</u>	<u>2,013,352</u>	<u>(3,223,998)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	425,900	14,650	1,104,579	1,089,929
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(790,000)</u>	<u>(790,000)</u>	<u>(761,458)</u>	<u>28,542</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (364,100)</u>	<u>(775,350)</u>	<u>343,121</u>	<u>1,118,471</u>
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			374,561	
Expenditure accrual adjustments			(149,092)	
Encumbrance adjustments			<u>(740,509)</u>	
			<u>(515,040)</u>	
<b>REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER USES - GAAP BASIS</b>			(171,919)	
<b>FUND BALANCES, DECEMBER 1</b>			<u>1,772,817</u>	
<b>FUND BALANCES, NOVEMBER 30</b>			<u>\$ 1,600,898</u>	

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - PARK IMPROVEMENT FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 1,500,000	1,500,000	1,559,984	59,984
Investment income	30,000	30,000	14,330	(15,670)
Intergovernmental	-	-	102,845	102,845
Total Revenues	1,530,000	1,530,000	1,677,159	147,159
 <b>EXPENDITURES</b>				
Current:				
Culture and recreation	1,330,640	1,579,960	1,212,269	(367,691)
 <b>REVENUES OVER (UNDER) EXPENDITURES</b>	199,360	(49,960)	464,890	514,850
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(610,000)	(610,000)	(635,563)	(25,563)
 <b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	\$ (410,640)	(659,960)	(170,673)	489,287
 <b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			(35,330)	
Expenditure accrual adjustments			242,818	
Encumbrance adjustments			(361,417)	
			(153,929)	
 <b>REVENUES UNDER EXPENDITURES - GAAP BASIS</b>			(324,602)	
 <b>FUND BALANCES, DECEMBER 1</b>			900,155	
 <b>FUND BALANCES, NOVEMBER 30</b>			\$ 575,553	



**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN DEFICIT -**  
**BUDGET AND ACTUAL - SEWER LATERAL FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
<b>REVENUES</b>			
Taxes	\$ 465,000	446,771	(18,229)
Investment income	5,000	3,857	(1,143)
Miscellaneous	-	649	649
Total Revenues	470,000	451,277	(18,723)
<b>EXPENDITURES</b>			
Current:			
Public works	1,430,370	457,281	(973,089)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (960,370)	(6,004)	954,366
<b>ADJUSTMENT TO RECONCILE TO GAAP BASIS</b>			
Revenue accrual adjustments		(14,941)	
Expenditure accrual adjustments		171,951	
Encumbrance adjustments		(86,672)	
		70,338	
<b>REVENUES OVER EXPENDITURES - GAAP BASIS</b>		64,334	
<b>DEFICIT, DECEMBER 1</b>		(851,723)	
<b>DEFICIT, NOVEMBER 30</b>		\$ (787,389)	

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**

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**OTHER SUPPLEMENTAL INFORMATION SECTION**

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

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

CITY OF FLORISSANT, MISSOURI  
 OTHER SUPPLEMENTAL INFORMATION  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 NOVEMBER 30, 2003

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Community Development Fund	Home Equity Assurance Fund	
<b>ASSETS</b>			
Cash	\$ 23,749	120,511	144,260
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,190	-	1,190
Compensated absences and accrued payroll	5,112	-	5,112
Total Liabilities	6,302	-	6,302
<b>Fund Balances</b>			
Fund balances:			
Reserved for encumbrances	241,872	-	241,872
Unreserved	(224,425)	120,511	(103,914)
Total Fund Balances	17,447	120,511	137,958
Total Liabilities And Fund Balances	\$ 23,749	120,511	144,260

CITY OF FLORISSANT, MISSOURI  
 OTHER SUPPLEMENTAL INFORMATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED NOVEMBER 30, 2003

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Community Development Fund	Home Equity Assurance Fund	
<b>REVENUES</b>			
Other	\$ -	130	130
Investment income	-	1,421	1,421
Intergovernmental	289,550	-	289,550
Total Revenues	<u>289,550</u>	<u>1,551</u>	<u>291,101</u>
<b>EXPENDITURES</b>			
Current:			
General government	<u>276,884</u>	<u>317</u>	<u>277,201</u>
<b>REVENUES OVER EXPENDITURES</b>	12,666	1,234	13,900
<b>FUND BALANCES, DECEMBER 1</b>	<u>4,781</u>	<u>119,277</u>	<u>124,058</u>
<b>FUND BALANCES, NOVEMBER 30</b>	<u>\$ 17,447</u>	<u>120,511</u>	<u>137,958</u>

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - HOME EQUITY ASSURANCE FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Other	\$ -	130	130
Investment income	1,000	1,421	421
Total Revenues	<u>1,000</u>	<u>1,551</u>	<u>551</u>
 <b>EXPENDITURES</b>			
Current:			
General government	<u>1,000</u>	<u>317</u>	<u>(683)</u>
 <b>REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>1,234</u>	<u>1,234</u>
 <b>FUND BALANCES, DECEMBER 1</b>		<u>119,277</u>	
 <b>FUND BALANCES, NOVEMBER 30</b>		<u>\$ 120,511</u>	

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**

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**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 City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

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

**CITY OF FLORISSANT, MISSOURI  
OTHER SUPPLEMENTAL INFORMATION  
STATEMENT OF REVENUES AND EXPENSES -  
ENTERPRISE FUND  
FOR THE YEAR ENDED NOVEMBER 30, 2003**

	<b>Golf Fund</b>
<b>OPERATING REVENUES</b>	<b>\$ 901,654</b>
<b>OPERATING EXPENSES</b>	
Salaries	461,722
Employee's benefits	104,212
Residency incentive program	2,900
Unemployment claim res	2,639
Uniforms and allowances	1,710
Postage and printing	500
Telephone	4,691
Utilities	51,102
Gasoline	8,419
Merchandise	94,923
Bldg., mntn., and supplies	40,262
Equipment repairs	30,380
Chemicals	36,911
Office supplies/printing	3,995
Dues, travel and training	5,084
Professional services	70,428
Publicity	10,367
Insurance	35,000
Depreciation and amortization	114,060
Total Operating Expenses	1,079,305
<b>OPERATING LOSS</b>	<b>(177,651)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Miscellaneous income	3,443
Interest and fiscal charges	(2,040)
Total Nonoperating Revenues (Expenses)	1,403
<b>LOSS BEFORE TRANSFERS</b>	<b>(176,248)</b>
TRANSFER IN	58,335
<b>NET LOSS</b>	<b>\$ (117,913)</b>



**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**

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**FIDUCIARY FUND TYPES - AGENCY FUNDS**

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

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

**CITY OF FLORISSANT MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	Balance November 30 2002	Additions	Reductions	Balance November 30 2003
<b>ASSETS</b>				
Cash	\$ 660,321	108,271	-	768,592
Investments	50,000	-	50,000	-
Total Assets	<u>\$ 710,321</u>	<u>108,271</u>	<u>50,000</u>	<u>768,592</u>
<b>LIABILITIES</b>				
Due to others:				
Court bonds	\$ 301,906	114,822	-	416,728
Construction deposits	82,654	-	12,348	70,306
Other deposits	198,729	-	11,262	187,467
	<u>583,289</u>	<u>114,822</u>	<u>23,610</u>	<u>674,501</u>
Due to other funds	127,032	-	32,941	94,091
	<u>\$ 710,321</u>	<u>114,822</u>	<u>56,551</u>	<u>768,592</u>

**CITY OF FLORISSANT, MISSOURI**  
**SINGLE AUDIT**

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**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***

December 18, 2003

Honorable Mayor and City Council  
**CITY OF FLORISSANT, MISSOURI**

We have audited the financial statements of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 2003, and have issued our report thereon dated December 18, 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 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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



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

However, we noted other matters involving the internal control over financial reporting which we have reported to the management of the City in a separate letter dated December 18, 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, 2003**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Number</u>	<u>Expenditures</u>
<b>U.S. Department of Transportation:</b>			
Missouri Department of Transportation:			
Highway Planning and Construction	20.205	STP-5513(607)	\$382,018
Highway Planning and Construction	20.205	STP-5521(602)	211,899
Highway Planning and Construction	20.205	STP-5521(603)	31,126
Highway Planning and Construction	20.205	STP-5595(610)	<u>9,108</u>
			<u>634,151</u>
<b>U.S. Department of Housing and Urban Development:</b>			
Community Development Block Grant	14.218	-	<u>284,964</u>
<b>U.S. Department of Justice:</b>			
Local Law Enforcement Block Grant	16.592	2002-LB-BX-0011	13,847
Missouri Department of Public Safety:			
Juvenile Accountability Incentive Block Grant	16.523	01-NCD4-027 and 01-NCD4-077	<u>26,858</u>
			<u>40,705</u>
<b>Federal Emergency Management Agency:</b>			
Missouri Emergency Management Agency:			
EMPG	83.552	EMK-2003-GR-3003 and EMK-2002-GR-0005	17,903
LEOP Grant	83.562	EMK-2003-GR-2540	750
CERT Grant	83.564	-	<u>622</u>
			<u>19,275</u>
<b>U.S. Department of the Interior:</b>			
Missouri Department of Natural Resources:			
Historic Preservation	15.904	29-02-17555-573	<u>15,941</u>
Total Awards Expended			<u>\$995,036</u>

**NOTES:**

**1. General**

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

**2. Basis of Accounting**

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



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

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

December 18, 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, 2003. 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, 2003.

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## Internal Control Over Compliance

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

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

## Schedule of Expenditure of Federal Awards

We have audited the financial statements of the City as of and for the year ended November 30, 2003, and have issued our report thereon dated December 18, 2003. Our audit was made for the purpose of forming an opinion on the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management 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, 2003**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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

None