

---

**CITY OF FLORISSANT,  
MISSOURI**

**FINANCIAL REPORT  
(Audited)**

Year Ended November 30, 2011

---

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

---

	<b>Page</b>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Fiduciary Net Assets - Fiduciary Funds	19
Statement of Changes in Fiduciary Net Assets - Pension Trust Fund	20
Notes to Financial Statements	21
Required Supplemental Information - Budgetary Comparison Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budget Basis:	
General Fund	40
Capital Improvements Fund	46
Park Improvement Fund	47
Sewer Lateral Fund	48
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual	49
Other Supplemental Information:	
Combining Balance Sheet - Nonmajor Governmental Funds	52
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Nonmajor Governmental Funds	53
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Home Equity Assurance Fund	54
Fiduciary Fund Types:	
Statement of Changes in Assets and Liabilities - All Agency Funds	56



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

## INDEPENDENT AUDITORS' REPORT

March 8, 2012

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF FLORISSANT, MISSOURI** (the City) as of and for the year ended November 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of November 30, 2011, and the respective changes in financial position thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448


[www.hbclp.com](http://www.hbclp.com)

Membership in: **IGAF POLARIS**  
A Global Association of Independent Firms

In accordance with *Government Auditing Standards*, we have also issued a report dated March 8, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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

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

  
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

---

The City of Florissant, Missouri (the City) presents this narrative to help readers review the accompanying annual financial statements for the year ended November 30, 2011. We have prepared the management's discussion and analysis (MD&A) of the City's financial activities to add additional information to the financial schedules and the note disclosures. This is the ninth year of reporting in conformance with the guidelines prescribed in the Governmental Accounting Standards Board Statement No. 34 (GASB 34) which established comprehensive new reporting requirements, the third year for implementation of GASB 45 which established valuation reporting requirements for post employment benefits and the first year for implementation of GASB 54 which purports to enhance the usefulness of fund balance information.

### **FINANCIAL HIGHLIGHTS**

- Total assets at the close of the fiscal year were \$85,015,379. Capital assets, the largest single asset category, comprised \$64,966,289 or 76.4% of total assets.
- Total net assets (total assets less total liabilities) were \$73,671,585. Excluding the amount invested in capital assets, net of related debt, total net assets were \$14,472,568.
- The largest single liability of \$7,448,658 is for noncurrent liabilities due in more than one year. This includes \$6,314,018 for the Certificates of Participation, \$899,000 for the Koch Plaza TIF bonds and \$235,640 for the golf cart lease.
- The City has \$10,073,174 in unrestricted net assets and \$4,399,394 in restricted assets.
- Total net assets increased \$3,416,610.
- Total fund balances increased \$2,840,198 to a total of \$16,936,905.
- The General Fund unassigned fund balance is \$10,431,262 or 43.3% of the final adopted budget which easily exceeds the target established in the City's Fund Balance Policy of 10.0%.
- The City issued new Certificates of Participation in the amount of \$7,200,000. Proceeds were used to defease the remaining 2002 COPS debt and to provide funds for HVAC projects and the construction of a second salt storage facility.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as transactions occur, regardless of when the re-

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

---

lated 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, public works, and health.

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

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

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

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

The City uses the following governmental funds:

<u>Major Funds</u>	<u>Nonmajor Funds</u>
✓ General	✓ Community Development
✓ Capital Improvements	✓ Home Equity Assurance
✓ Park Improvement	✓ Koch TIF
✓ Sewer Lateral	✓ Debt Service
	✓ Neighborhood Stabilization Program

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

**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

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

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The first statement in the government-wide statements is the statement of net assets. The following table summarizes the statement of net assets for the governmental activities as of November 30, 2011 and 2010 (dollars in thousands):

	<b>November 30</b>		<b>2011 Change</b>	
	<b>2011</b>	<b>2010</b>	<b>Amount</b>	<b>Percent</b>
<b>ASSETS</b>				
Current and other assets	\$ 20,049	16,730	3,319	19.8 %
Capital assets, net	64,967	65,230	(263)	(0.4)
Total Assets	<u>85,016</u>	<u>81,960</u>	<u>3,056</u>	3.7
<b>LIABILITIES</b>				
Long-term debt outstanding	9,559	10,033	(474)	(4.7)
Other liabilities	1,785	1,672	113	6.8
Total Liabilities	<u>11,344</u>	<u>11,705</u>	<u>(361)</u>	(3.1)
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	59,199	57,691	1,508	2.6
Restricted	4,400	4,620	(220)	(4.8)
Unrestricted	10,073	7,944	2,129	26.8
Total Net Assets	<u>\$ 73,672</u>	<u>70,255</u>	<u>3,417</u>	4.9 %

The statement of net assets, an accrual based financial statement, was introduced into the financial report as a result of GASB 34. The statement of net assets presents the same information as a balance sheet, it assesses the balance of the City's assets, the resources it can use to provide service and operate, against its liabilities, its obligations to turn over resources to other organizations or individuals. The difference between the City's assets

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

---

and its liabilities is called *net assets*. In other words, this statement quantifies what the City would have remaining after satisfying its liabilities. The bulk of net assets are comprised of capital assets which are not liquid assets.

It must be noted that this is a combined statement which reflects information incorporated from a number of separate funds. This type of presentation only provides an overall perspective as the City is legally required to account for certain restricted assets using separate funds. In actual practice, balances between funds cannot be comingled.

Assets include \$12,085,030 in cash and investments, \$4,667,515 in receivables and \$1,936,611 in restricted assets - investments, which includes \$368,841 for the Koch Plaza TIF and \$1,567,770 for the 2011 COPS. Total net assets increased by \$3,416,610.

\$338,787 is included under assets as a receivable from the Department of Revenue settlement. This settlement is an agreement between the City and the Missouri Department of Revenue (DOR) to correct DOR's failure to properly and timely implement the population changes resulting from a series of annexations dating back to 2002. Further information on this settlement can be found in the MD&A from the 2010 financial report.

The second statement in the government-wide statements is the statement of activities. This statement outlines the City's primary programs or governmental activities. The following table outlines the major components of the statement of activities for the years ended November 30, 2011 and 2010 (dollars in thousands):



**CITY OF FLORISSANT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<b>For The Years</b>		<b>2011 Change</b>	
	<b>Ended November 30</b>		<b>Amount</b>	<b>Percent</b>
	<b>2011</b>	<b>2010</b>		
<b>REVENUES</b>				
Program revenues:				
Charges for services	\$ 6,046	6,860	(814)	(11.9) %
Operating grants and contributions	3,478	3,811	(333)	(8.7)
Capital grants and contributions	1,585	418	1,167	279.2
General revenues:				
Sales tax	13,975	12,812	1,163	9.1
Utility tax	6,490	6,460	30	0.5
Investment income	99	107	(8)	(7.5)
Licenses and permits	773	787	(14)	(1.8)
Other general revenues	1,164	1,999	(835)	(41.8)
Total Revenues	<u>33,610</u>	<u>33,254</u>	<u>356</u>	1.1
<b>PROGRAM EXPENSES</b>				
General government	4,769	5,354	(585)	(10.9)
Culture and recreation	6,342	6,203	139	2.2
Public safety	10,360	9,986	374	3.7
Public works and health	8,334	8,310	24	0.3
Interest on long-term debt	388	502	(114)	(22.7)
Total Program Expenses	<u>30,193</u>	<u>30,355</u>	<u>(162)</u>	(0.5)
<b>CHANGE IN NET ASSETS</b>	<u>\$ 3,417</u>	<u>2,899</u>	<u>518</u>	17.9 %

The statement of activities is the second of two accrual based financial statements introduced into the financial report by GASB 34. The statement of activities is a government wide statement which combines information from a number of completely separate funds. In actual practice, the City is legally restricted from combining assets in these funds.

Revenues and expenses are presented by major function or program. Net revenues (expenses) are all negative which, not surprisingly, shows that governmental functions are not self-supporting. The City, like all cities, depends on tax revenues to provide funding for governmental services and activities such as police, parks and public works.

Total revenues increased \$355,922. Charges for services decreased \$814,127, capital grants and contributions increased \$1,167,070 on the strength of federal grants, sales tax increased \$1,163,328 which is the first time since 2007 that sales tax receipts have increase over the prior year, and other general revenues decreased \$835,452 due to elimination of the Department of Revenue settlement in the amount of \$813,089 which was included in the 2010 total.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

---

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

Financial information for the City's governmental funds is summarized in the balance sheet - governmental funds and the statement of revenues, expenditures, and changes in fund balances - governmental funds. Total governmental fund balances increased \$2,840,198. The General Fund balance increased \$1,553,637 to \$10,896,403, the Capital Improvement Fund balance increased \$1,547,424 to \$2,454,808, the Park Improvement Fund balance increased \$493,241 to \$904,901, and the Sewer Lateral Fund balance increased \$436,710 to \$2,053,610.

Other governmental funds include the Community Development, Home Equity Assurance, Koch TIF, Neighborhood Stabilization Program, and Debt Service Fund. These funds are combined for this report because their revenues and expenses are smaller than other funds of the City. You can find details about these funds in the combining statements for the nonmajor governmental funds.

**BUDGETARY HIGHLIGHTS - MAJOR FUNDS**

The information presented in the Required Supplemental Information section presents information about both the original budget and the final budget as amended through the course of the year. Generally, budgets are amended to add projects, programs, commodities, grants, and services that were not anticipated at the time the budget was originally adopted.

Revisions to the adopted budget fall into three general categories:

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

Transfers of \$25,000 or more include the following:

- \$ 75,000 - Sidewalk replacement program
- \$ 61,000 - Maintenance and repair of City buildings
- \$ 42,290 - Gasoline for Parks, Health, Public Works, and Sewer Lateral
- \$ 25,000 - Legal services

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

- \$245,000 - Police forfeiture funds for various capital purchases
- \$198,500 - Additional salt for ice and snow removal
- \$130,000 - Funding necessary to close the Home Equity Assurance Program
- \$ 80,000 - Gasoline for the Police Department
- \$ 60,000 - Special elections to fill a vacant Council seat and to elect a new Judge

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

Total general fund revenue exceeded the budget by \$1,323,483 or 5.7%. Gasoline tax was short of the budget by \$20,477. Sales tax rebounded from several bad years to finish at \$7,084,234 which was \$484,234 ahead of the budget. The utility tax, with receipts exceeding the budget by \$868,707, was the beneficiary of a very cold winter, a very hot summer and a very conservative budget estimate.

Cable television exceeded the budget by \$72,379. AT&T, a new entry into the cable television market, increased market share during the year at the expense of the other cable TV provider, Charter, and of the satellite providers. Overall cable television revenue increased as the City does not receive the franchise fee from the satellite providers. Investment income of \$28,208 continued to reflect the results of historically low interest rates. Fines and forfeitures exceeded the budget by \$248,848 as the municipal court made a concerted effort to collect on old, purged warrants and forfeited bonds.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

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

**Capital assets.** The following table summarizes the capital assets, net of depreciation, for the governmental activities as of November 30, 2011 and 2010 (dollars in thousands):

	<u>November 30</u>		<u>2011 Change</u>	
	<u>2011</u>	<u>2010</u>	<u>Amount</u>	<u>Percent</u>
Land	\$ 4,576	4,576	-	- %
Construction in progress	522	329	193	58.7
Buildings	4,808	5,113	(305)	(6.0)
Improvements	8,463	8,428	35	0.4
Land improvements	160	174	(14)	(8.0)
Infrastructure	43,483	43,362	121	0.3
Vehicles and equipment	<u>2,954</u>	<u>3,248</u>	<u>(294)</u>	<u>(9.1)</u>
Total	<u>\$64,966</u>	<u>65,230</u>	<u>(264)</u>	<u>(0.4%)</u>

Capital assets, other than land and construction in progress, reflect a depreciated value as required by GASB 34. The largest single capital asset is infrastructure or streets, roads and bridges with a depreciated value of \$43,482,880. Total capital assets decreased \$264,025. Construction-in progress of \$521,867 represents on-going street and bridge construction. Additional information on capital assets can be found in Note C of the financial statements.

**Long-term debt.** The following table summarizes the City's scheduled long-term outstanding debt for the governmental activities as of November 30, 2011 and 2010 (dollars in thousands):

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<u>November 30</u>		<u>2011 Change</u>	
	<u>2011</u>	<u>2010</u>	<u>Amount</u>	<u>Percent</u>
Certificates of participation	\$7,200	7,215	(15)	(0.2%)
Tax increment revenue bonds	1,249	1,590	(341)	(21.4)
Capital lease payable	<u>281</u>	<u>324</u>	<u>(43)</u>	(13.3)
Total	<u>\$8,730</u>	<u>9,129</u>	<u>(399)</u>	(4.4%)

At a special meeting on August 29, 2011 the City Council approved a lease purchase debt transaction for the Series 2011 Certificates of Participation. The proceeds from this debt issue will be used to pay the costs of financing HVAC improvements to City buildings, construction of a salt storage facility, improvements to the aquatic center, improvements to the bandstand at St. Ferdinand Park, and to refinance the Series 2002 Certificates of Participation at historically low interest rates. Interest rates had declined to such low levels that the City could issue new bonds to pay off the existing bonds and include new money while keeping debt service payments below current levels. Maturities remained the same.

\$7,200,000 in debt were issued for the Series 2011 Certificates of Participation. In addition, \$1,414,063 was transferred from the Series 2002 Debt Service Reserve Fund and \$67,057 net was received as a premium from the liquidation of a contract for the investment of reserve funds. The total from all sources was \$8,681,120.

\$1,556,700 was deposited to the Project Fund for the various improvements, \$6,955,320 was deposited into an Escrow Fund to pay off the remaining principal and interest on the 2002 COPS and \$169,100 was used to pay for costs of issuance.

The 2011 COPS debt was scheduled to be paid off in 2022, the same payoff schedule as the 2002 COPS. Outstanding principal on the new debt is \$7,200,000 plus interest of \$998,454 for a total debt service of \$8,198,454. Interest rates on the bonds range from 1.5% to 3.125%. As a result of this bond issue the City was able to reduce its aggregated debt service payments by \$726,645 over the remaining eleven years of the bonds.

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

Tax increment revenue bonds, in the amount of \$1,249,000, represent the outstanding principal balance from the Tax-Exempt Tax Increment Improvement and Refunding Revenue Bonds, Series 2006 issued for the Koch Plaza Redevelopment Project in September 2006 in the amount of \$2,330,000.

The capital lease payable represents the balance on the lease entered into by the City to provide golf carts for the municipal golf course.

**HIGHLIGHTS FROM 2011 AND THE OUTLOOK FOR THE FUTURE**

The City continues to deal with substantial economic uncertainties. Unemployment remains at historic highs which are bookended by interest rates at historic lows. Real estate values have been declining since 2009. However, there were some signs of improvement in 2011. Sales tax, the City's primary revenue source in-

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

---

creased by 5.6% or \$378,491. This is the first time since 2007 that sales tax collections have increased over the prior year. While this is good news, in context it must be noted that sales tax collections were still \$355,109 under their peak in 2007.

Gasoline tax, which showed strong growth in 2010, declined slightly, down 1.6% or \$28,363. This was better than the results from 2008 and 2009 but \$61,078 under the peak in 2006. The utility license tax was very strong, increasing 23.4% or \$1,339,638 over 2010. This was the result of a full twelve months at the 7% rate compared to ten months at 7% and two months at 5% in 2010. In addition, a very cold and snowy winter combined with a very hot and dry summer contributed greatly to the increase. An increase in the telephone utility license tax base to include cell phones helped increase telephone license tax revenue.

The City continued to receive monthly distributions from the settlement with the Missouri Department of Revenue resulting from their failure to properly adjust the City's population for four annexations. It is estimated that the City will ultimately receive \$1,132,230 from the settlement and the adjustments made to the City's population in August 2009, which increased the City's distribution from the respective pools from that point forward.

In May, long-time Municipal Judge Tim Kelly passed away after a brief illness. Judge Kelly was first elected as Judge in 1969 and was ultimately re-elected nine times, serving as Judge for 32 years. Judge Kelly grew up in the City, was a veteran of the United States Navy and also maintained a private law practice. Judge Kelly's service to the City and to the community will be missed.

In June the City Council passed an ordinance terminating the Home Equity Assurance Program which had been created in 1998. This program was designed to insure residential property against the possibility of economic loss and to show property owners that the City stood behind its residential housing stock. A participant in this program was guaranteed no less than the appraised value of their home if they sold their home no sooner than five years after enrolling in the program.

The collapse of the housing market flipped this program upside down. In effect, it was doing the exact opposite of what it was designed to do. Participants seeking to sell their homes did not feel a need to negotiate the best price for their property due to the price guarantee from this program. Instead of stabilizing neighborhoods the program was adding to instability.

The City continues to actively pursue development opportunities throughout the City and currently has a number of active projects which include:

- The Value City building redevelopment project on N. Highway 67 has a developer and is moving forward. This is a \$9,500,000 project involving renovation and new construction. There will be five new national tenants and two relocations. Construction is estimated to begin in the spring of 2012.
- Fifth Third Bank has been approved to build on the site of a vacant car lot along North Lindbergh near Charbonier Road. This project is waiting for final banking regulatory approval.
- Life Care Centers of America, located in Cleveland, Tennessee, has completed Phase II in their development of a senior living community called "Garden Plaza of Florissant" on Parker Road. Phase I is a rehabilitation facility and Phase II is a three-story assisted living community known as "The Bridge."

**CITY OF FLORISSANT, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2011**

---

- Five Guys Burgers and Fries opened in December 2011. It is located in Dierberg's Plaza at Lindbergh and Washington.
- Wal-Mart is moving forward with plans for a Super Center at a site near the intersection of North Hwy 67 and New Halls Ferry Road. Wal-Mart's request for re-zoning is currently pending before the City Council.
- Jimmy Johns Restaurant's, with scary fast delivery, are actively looking for sites in the City.
- The Plaza Madrid redevelopment project is in the due diligence stage. The City is working with a developer. This site has an odd shape, a poor location and is proving very difficult to redevelop.
- DeLeo's Deli, a restaurant located in Estes Park, Colorado opened a restaurant in Surry Plaza on N. Hwy 67 in December 2011.

The 2010 official U.S. Census results for the State of Missouri have been released and show that the state's population increased from 5,595,211 in 2000 to 5,988,927 in 2010, an increase of 393,716 or 7.0%. St. Louis County's population dropped from 1,016,315 in 2000 to 998,954 in 2010, a decline of 17,361 or 1.7%. The City's population grew from 50,497 in 2000 to 52,158 in 2010, an increase of 1,661 or 3.3%.

Unfortunately, the raw numbers do not tell the whole story. The City was successful in securing a number of annexations subsequent to the 2000 census, which, including the most recent Paddock Estates annexation, increased the City's population by 4,039 to 54,536. When this number is used as the City's population, the population went from 54,536 to 52,158, a drop of 2,378 or 4.4%.

A number of the City's revenues are received based on the City's population as part of a larger pooled population. These include the cigarette tax, motor vehicle fuel tax, motor vehicle sales tax, motor vehicle fee increase, the 1% general sales tax, and the ½% capital improvement sales tax. These six revenue sources represent 43% of 2011 actual revenues for the general and capital improvement sales tax funds combined. Population adjustments to the formulas used to distribute these revenues will be implemented beginning in January 2012.

The cigarette tax, general sales tax and the capital improvement sales tax are distributed from countywide pools. The motor vehicle fuel tax, motor vehicle sales tax, and the motor vehicle fee increases are distributed from a statewide pool. Estimates indicate that adjustments in the City and pool populations could reduce revenue for the 2012 fiscal year by approximately \$500,000 in the general fund and \$150,000 in the capital improvement fund.

A number of bills are currently before the Missouri State Legislature that would eliminate sales tax sharing in St. Louis County. All municipalities and St. Louis County would become point-of-sale entities. If any of these bills were to pass, the City could expect to see a significant decline in sales tax revenue.

## **REQUESTS FOR INFORMATION**

The MD&A is designed to provide a general overview of the information contained in the financial report and the City's finances in general. Questions concerning any of the information contained in the MD&A or in the body of the financial report should be addressed to: Randal J. McDaniel, Director of Finance, City of Florissant, 955 Rue St. Francois, Florissant, Missouri 63031.

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF NET ASSETS**  
**NOVEMBER 30, 2011**

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Industrial Development Authority</b>
<b>ASSETS</b>		
Cash	\$ 7,674,706	39,855
Investments	4,410,324	-
Prepaid items	76,916	-
Receivables:		
Taxes	3,740,919	249,378
Interest	1,743	-
Intergovernmental	211,674	-
Court	319,475	-
Golf	54,917	-
Department of Revenue settlement	338,787	-
Due from Fiduciary Fund	219,179	-
Inventories	4,462	-
Restricted assets:		
Investments	1,936,611	1,284,489
Bond issue costs	253,034	444,930
Net pension asset	806,343	-
Capital assets:		
Land and construction in progress	5,098,135	-
Other capital assets, net of accumulated depreciation	59,868,154	-
Total Assets	85,015,379	2,018,652
<b>LIABILITIES</b>		
Accounts payable	714,263	1,189
Accrued interest payable	51,573	65,035
Accrued payroll	1,019,070	-
Noncurrent liabilities:		
Due within one year	1,938,927	800,000
Due in more than one year	7,448,658	13,925,000
Due in more than one year - net OPEB obligation	171,303	-
Total Liabilities	11,343,794	14,791,224
<b>NET ASSETS (DEFICIENCY)</b>		
Invested in capital assets, net of related debt	59,199,017	-
Restricted:		
Capital improvements	887,038	-
Park improvements	904,901	-
Sewer lateral	2,053,610	-
Debt service	422,023	1,284,489
Neighborhood stabilization	131,822	-
Unrestricted (deficit)	10,073,174	(14,057,061)
Total Net Assets (Deficiency)	\$ 73,671,585	(12,772,572)

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

FUNCTIONS/PROGRAMS					Net Revenues (Expenses) And Changes In Net Assets	
	<u>Expenses</u>	Program Revenues			Primary Government	Component Unit
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Industrial Development Authority
<b>Primary Government</b>						
<b>Governmental Activities</b>						
General government	\$ 4,768,688	-	917,004	-	(3,851,684)	-
Culture and recreation	6,341,867	1,623,753	-	416,200	(4,301,914)	-
Public safety	10,360,181	3,102,336	265,635	297,189	(6,695,021)	-
Public works and health	8,334,136	1,320,064	2,295,602	871,760	(3,846,710)	-
Interest on long-term debt	388,279	-	-	-	(388,279)	-
Total Governmental Activities	\$ 30,193,151	6,046,153	3,478,241	1,585,149	(19,083,608)	-
<b>Component Unit</b>						
Industrial Development Authority	\$ 907,653	-	-	-	-	(907,653)
<b>General Revenues</b>						
Taxes:						
Sales					13,974,900	1,278,981
Utility					6,489,513	3,195
Property					137,497	437,293
Other					149,565	-
Investment income					99,232	46,176
Licenses and permits					772,973	-
Other					876,538	-
Total General Revenues					22,500,218	1,765,645
<b>CHANGES IN NET ASSETS</b>					3,416,610	857,992
<b>NET ASSETS, DECEMBER 1</b>					70,254,975	(13,630,564)
<b>NET ASSETS, NOVEMBER 30</b>					\$ 73,671,585	(12,772,572)

See notes to financial statements



**CITY OF FLORISSANT, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**NOVEMBER 30, 2011**

	<u>General Fund</u>	<u>Capital Improvements Fund</u>	<u>Park Improvement Fund</u>	<u>Sewer Lateral Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash	\$ 6,151,188	704,908	422,502	257,786	138,322	7,674,706
Investments	2,700,000	-	-	1,610,324	100,000	4,410,324
Prepaid items	76,916	-	-	-	-	76,916
Receivables:						
Taxes	2,336,702	586,642	563,373	201,020	53,182	3,740,919
Interest	808	-	-	883	52	1,743
Intergovernmental	137,083	43,732	7,200	-	23,659	211,674
Court	319,475	-	-	-	-	319,475
Golf	54,917	-	-	-	-	54,917
Department of Revenue settlement	338,787	-	-	-	-	338,787
Restricted assets:						
Investments	-	1,567,770	-	-	368,841	1,936,611
Inventories	4,462	-	-	-	-	4,462
Due from other funds	539,761	-	-	-	-	539,761
	<u>\$ 12,660,099</u>	<u>2,903,052</u>	<u>993,075</u>	<u>2,070,013</u>	<u>684,056</u>	<u>19,310,295</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 499,537	146,158	6,681	15,368	46,519	714,263
Accrued payroll	944,684	-	70,172	-	4,214	1,019,070
Deferred revenue	319,475	-	-	-	-	319,475
Due to other funds	-	302,086	11,321	1,035	6,140	320,582
	<u>1,763,696</u>	<u>448,244</u>	<u>88,174</u>	<u>16,403</u>	<u>56,873</u>	<u>2,373,390</u>
<b>Fund Balances</b>						
Nonspendable:						
Inventories	4,462	-	-	-	-	4,462
Prepaid items	76,916	-	-	-	-	76,916
Restricted for:						
Capital improvements	-	2,454,808	-	-	-	2,454,808
Park improvements	-	-	904,901	-	-	904,901
Sewer lateral	-	-	-	2,053,610	-	2,053,610
Debt service	-	-	-	-	422,023	422,023
Neighborhood stabilization	-	-	-	-	131,822	131,822
Committed for:						
Home equity assurance	-	-	-	-	77,552	77,552
Assigned to:						
Capital improvements, supplies, services, and other current expenditures	383,763	-	-	-	-	383,763
Unassigned	10,431,262	-	-	-	(4,214)	10,427,048
	<u>10,896,403</u>	<u>2,454,808</u>	<u>904,901</u>	<u>2,053,610</u>	<u>627,183</u>	<u>16,936,905</u>
	<u>\$ 12,660,099</u>	<u>2,903,052</u>	<u>993,075</u>	<u>2,070,013</u>	<u>684,056</u>	<u>19,310,295</u>

**CITY OF FLORISSANT, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERN-**  
**MENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**NOVEMBER 30, 2011**

---

Total Fund Balances - Governmental Funds \$ 16,936,905

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$129,479,843 and the accumulated depreciation is \$64,513,554. 64,966,289

Municipal court receivables are assessed by the City, but are not collected as of November 30, 2011 and deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements. 319,475

The net pension asset is not a financial resource and, therefore, is not reported in the governmental funds. 806,343

The net OPEB obligation is not a financial resource and, therefore, is not reported in the governmental funds. (171,303)

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	(51,573)
Certificates of participation	(7,054,018)
Tax increment revenue bonds	(1,249,000)
Unamortized bond issuance cost	253,034
Capital lease payable	(281,024)
Compensated absences	(803,543)
	<u>(803,543)</u>

Total Net Assets Of Governmental Activities \$ 73,671,585

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<u>General Fund</u>	<u>Capital Improvements Fund</u>	<u>Park Improvement Fund</u>	<u>Sewer Lateral Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Taxes	\$ 16,171,239	3,321,060	3,048,118	894,462	502,176	23,937,055
Licenses and permits	1,198,575	-	-	-	-	1,198,575
Charges for services	1,618,008	-	-	-	-	1,618,008
Other	902,896	-	-	-	463,627	1,366,523
Investment income	26,094	2,878	859	11,612	57,789	99,232
Fines and forfeitures	3,242,726	-	-	-	-	3,242,726
Intergovernmental	662,285	823,317	417,301	-	553,397	2,456,300
Total Revenues	<u>23,821,823</u>	<u>4,147,255</u>	<u>3,466,278</u>	<u>906,074</u>	<u>1,576,989</u>	<u>33,918,419</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,971,171	-	-	-	852,189	4,823,360
Culture and recreation	3,467,532	-	1,914,133	-	-	5,381,665
Public safety	10,249,119	-	-	-	-	10,249,119
Public works and health	4,407,150	-	-	135,031	-	4,542,181
Capital outlay	412,950	3,848,705	495,913	36,109	-	4,793,677
Debt service:						
Principal	43,240	-	-	-	916,000	959,240
Interest	15,248	-	-	-	454,438	469,686
Advance refunding escrow	-	-	-	-	1,414,063	1,414,063
Bond issuance costs	-	171,030	-	-	-	171,030
Total Expenditures	<u>22,566,410</u>	<u>4,019,735</u>	<u>2,410,046</u>	<u>171,140</u>	<u>3,636,690</u>	<u>32,804,021</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,255,413</u>	<u>127,520</u>	<u>1,056,232</u>	<u>734,934</u>	<u>(2,059,701)</u>	<u>1,114,398</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Refunding of long-term debt	-	(5,541,256)	-	-	-	(5,541,256)
Issuance of long-term debt	-	7,200,000	-	-	-	7,200,000
Premium on issuance of long-term debt	-	67,056	-	-	-	67,056
Transfers in	298,224	-	-	-	868,887	1,167,111
Transfers out	-	(305,896)	(562,991)	(298,224)	-	(1,167,111)
Total Other Financing Sources (Uses)	<u>298,224</u>	<u>1,419,904</u>	<u>(562,991)</u>	<u>(298,224)</u>	<u>868,887</u>	<u>1,725,800</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,553,637	1,547,424	493,241	436,710	(1,190,814)	2,840,198
<b>FUND BALANCES, DECEMBER 1</b>	<u>9,342,766</u>	<u>907,384</u>	<u>411,660</u>	<u>1,616,900</u>	<u>1,817,997</u>	<u>14,096,707</u>
<b>FUND BALANCES, NOVEMBER 30</b>	<u>\$ 10,896,403</u>	<u>2,454,808</u>	<u>904,901</u>	<u>2,053,610</u>	<u>627,183</u>	<u>16,936,905</u>

**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, 2011**

Net Change In Fund Balances - Governmental Funds		\$ 2,840,198
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$4,638,407) exceeded capital outlays over the capitalization threshold totaling \$4,573,769 in the current period.		(64,638)
The net effect of contributed assets and various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		
Cost of disposals, net of accumulated depreciation		(199,387)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(140,390)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Increase in net pension asset	251,680	
Decrease in accrued interest payable	91,475	
Increase in net OPEB obligation	(112,070)	
Decrease in compensated absences	41,277	272,362
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources of the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, the governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued:		
Certificates of participation	(7,200,000)	
Premium	(67,056)	
Deferred charges on refunding	215,319	
Issuance costs	171,030	
Repayments:		
Certificates of participation	7,215,000	
Tax increment revenue bonds	341,000	
Capital lease payable	43,240	
Amortization	(10,068)	708,465
Change In Net Assets Of Governmental Activities		<u>\$ 3,416,610</u>

See notes to financial statements

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
**NOVEMBER 30, 2011**

	<b>Pension Trust Fund</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash	\$ -	1,244,020
Investments	9,867,427	-
Total Assets	9,867,427	1,244,020
<b>LIABILITIES</b>		
Due to others:		
Court bonds	-	478,538
Construction deposits	-	212,436
Other deposits	-	333,867
	-	1,024,841
Due to other funds	-	219,179
Total Liabilities	-	1,244,020
<b>NET ASSETS</b>		
Held in trust for pension benefits	\$ 9,867,427	-

**CITY OF FLORISSANT, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -**  
**PENSION TRUST FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

---

**ADDITIONS**

Employer contributions	<u>\$ 945,205</u>
Investment income:	
Net appreciation in fair value of investments and interest and dividends	724,309
Investment expense	<u>(39,703)</u>
Net Investment Income	<u>684,606</u>
Total Additions	<u>1,629,811</u>

**DEDUCTIONS**

Benefits	<u>2,380,712</u>
----------	------------------

**NET DECREASE**

(750,901)

NET ASSETS HELD IN TRUST FOR PENSION  
BENEFITS, DECEMBER 1

10,618,328

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

\$ 9,867,427

# CITY OF FLORISSANT, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an Amendment of GASB 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 governing body or because the component unit will provide a financial benefit or impose a financial burden on the City. Included within the reporting entity are all units of government including the Industrial Development Authority of the City of Florissant (IDA).

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

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

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

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

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

---

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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



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

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

Additionally, the City reports the following fund types:

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

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

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

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

**4. Cash, Cash Equivalents, and Investments**

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

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

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

**5. Inventories**

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

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

---

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

**6. Prepaid Items**

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

**7. Interfund Transactions**

In the fund financial statements, the City has the following types of transactions among funds:

**Transfers** -- Transfers of resources from a fund receiving revenue to the fund through which resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses).

**Due To/From Other Funds** -- Current portions of long-term interfund loans receivable/payable are considered "available spendable resources" and are reported as assets and liabilities of the appropriate funds.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

**8. Capital Assets**

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

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

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

Assets	Years
Buildings and improvements	15 - 50
Land improvements	10 - 40
Infrastructure	5 - 33 $\frac{1}{3}$
Vehicles and equipment	3 - 15

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

**9. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration of the various funds. Encumbrances outstanding at year-end 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. Encumbrances outstanding at year-end were \$383,763 for the General Fund, \$403,759 for the Capital Improvements Fund, \$10,515 for the Park Improvement Fund, and \$7,022 for the Sewer Lateral Fund.

**10. Compensated Absences**

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

**11. Fund Balance Policies**

The City's policy is to report the fund balance in the following categories, when applicable, listed from the most restrictive to the least restrictive:

**Nonspendable** -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

**Restricted** -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement or through constitutional provisions or by enabling legislation.

**Committed** -- The portion of fund balance with constraints or limitations by formal action (ordinance) of the City Council, the highest level of decision-making authority.

**Assigned** -- The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the City Council has designated authority.

**Unassigned** -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

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

---

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

**11. Fund Balance Policies (Continued)**

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unassigned fund balance of not less than 10% of annual operating expenditures for the fiscal year.

**12. Long-term Obligations**

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

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

**13. Deferred Revenues**

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

**14. Use of Estimates**

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

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the posses-

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

**NOTE B - CASH AND INVESTMENTS (Continued)**

**1. Deposits (Continued)**

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

As of November 30, 2011, the City's and IDA's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

**2. Investments**

As of November 30, 2011, the City had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>			<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>More Than 10 Years</u>	
<b>Primary Government</b>					
Certificates of deposit	\$ 4,410,324	-	4,410,324	-	N/A
Money market	1,936,611	1,936,611	-	-	Not rated
Total Primary Government Investments	<u>6,346,935</u>	<u>1,936,611</u>	<u>4,410,324</u>	<u>-</u>	
<b>Fiduciary Funds</b>					
Pension plan pooled investments:					
Common stock funds	9,867,427	9,867,427	-	-	N/A
<b>Component Unit</b>					
Money market	293,489	293,489	-	-	Not rated
Repurchase agreement	991,000	-	-	991,000	N/A
Total Component Unit Investments	<u>1,284,489</u>	<u>293,489</u>	<u>-</u>	<u>991,000</u>	
Grand Total Investments	<u>\$ 17,498,851</u>	<u>12,097,527</u>	<u>4,410,324</u>	<u>991,000</u>	

**Investments Policies**

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

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

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

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

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

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

	<b>For The Year Ended November 30, 2011</b>			
	<b>Balance November 30 2010</b>	<b>Additions And Transfers</b>	<b>Deletions And Transfers</b>	<b>Balance November 30 2011</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 4,576,268	-	-	4,576,268
Construction in progress	328,962	1,891,073	1,698,168	521,867
Total Capital Assets Not Being Depreciated	<u>4,905,230</u>	<u>1,891,073</u>	<u>1,698,168</u>	<u>5,098,135</u>
Capital assets being depreciated:				
Buildings	12,036,678	-	-	12,036,678
Improvements	10,868,517	623,719	129,393	11,362,843
Land improvements	367,741	-	-	367,741
Infrastructure	88,845,469	3,269,399	-	92,114,868
Vehicles and equipment	8,337,117	487,746	325,285	8,499,578
Total Capital Assets Being Depreciated	<u>120,455,522</u>	<u>4,380,864</u>	<u>454,678</u>	<u>124,381,708</u>
Less - Accumulated depreciation for:				
Buildings	6,923,884	305,124	-	7,229,008
Improvements	2,440,955	510,300	51,757	2,899,498
Land improvements	193,297	14,171	-	207,468
Infrastructure	45,483,710	3,148,278	-	48,631,988
Vehicles and equipment	5,088,592	660,534	203,534	5,545,592
Total Accumulated Depreciation	<u>60,130,438</u>	<u>4,638,407</u>	<u>255,291</u>	<u>64,513,554</u>
Total Capital Assets Being Depreciated, Net	<u>60,325,084</u>	<u>(257,543)</u>	<u>199,387</u>	<u>59,868,154</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,230,314</u>	<u>1,633,530</u>	<u>1,897,555</u>	<u>64,966,289</u>

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

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

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

	<b>For The Year Ended November 30 2011</b>
<b>Governmental Activities</b>	
General government	\$ 68,645
Public safety	299,036
Public works and health, including depreciation of infrastructure assets	3,405,332
Culture and recreation	<u>865,394</u>
Total	<u><u>\$ 4,638,407</u></u>

**NOTE D - LONG-TERM DEBT**

Long-term debt consists of the following:

	<b>November 30 2011</b>
2011 certificates of participation issue of \$7,200,000 used for advance refunding of the 2002 issue, and various improvements throughout the City, due in annual installments through August 1, 2022, interest payable at 1.5% to 3.125%.	<u><u>\$7,200,000</u></u>

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

<b>For The Years Ended November 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 740,000	150,248	890,248
2013	730,000	156,312	886,312
2014	750,000	134,413	884,413
2015	775,000	119,412	894,412
2016	790,000	103,913	893,913
2017 - 2021	2,860,000	316,812	3,176,812
2022	<u>555,000</u>	<u>17,344</u>	<u>572,344</u>
Total	<u><u>\$ 7,200,000</u></u>	<u><u>998,454</u></u>	<u><u>8,198,454</u></u>

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

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

During 2011, the City issued \$7,200,000 of Certificates of Participation to refund the 2002 Certificates of Participation. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result, the old debt is considered to be defeased and the liability for this debt issue has been removed from the City's financial statements. As of November 30, 2011 \$6,640,000 of debt is considered defeased. The City decreased its aggregated debt service payments by \$726,645 over 11 years which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$530,338.

The City has tax increment revenue bonds which are limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property, incremental increases in economic activity taxes in the project area, and monies on deposit in the Debt Service Reserve Fund. The bonds do not constitute a general obligation of the City. Bonds outstanding at November 30, 2011 consist of Series 2006 Tax Increment Improvement and Refunding Revenue Bonds for the Koch Plaza Redevelopment Project, issued September 1, 2006 and maturing on April 17, 2028.

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

	<b>For The Year Ended November 30, 2011</b>			<b>Amounts Due Within One Year</b>
	<b>Balance November 30 2010</b>	<b>Additions</b>	<b>Reductions</b>	
	<b>Balance November 30 2011</b>			
Certificates of participation	\$ 7,215,000	7,200,000	7,215,000	740,000
Plus - Premium	-	67,056	1,032	-
Less - Deferred charges	-	(215,319)	(3,313)	-
Tax increment revenue bonds	1,590,000	-	341,000	350,000
Capital lease payable	324,264	-	43,240	45,384
Compensated absences	844,820	943,814	985,091	803,543
<b>Total</b>	<b>\$ 9,974,084</b>	<b>7,995,551</b>	<b>8,582,050</b>	<b>1,938,927</b>

The certificates of participation are to be liquidated by the Debt Service Fund with transfers from the Park Improvement and Capital Improvements Funds. The tax increment revenue bonds are liquidated by the Koch TIF Fund. Compensated absences and the capital lease payable are generally liquidated by the General Fund.

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



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

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

ject to annual appropriation by The Shoppes at Cross Keys Transportation Development District, all TDD revenues. The balance at November 30, 2010 was \$15,740,000, principal payments made during the year were \$1,015,000, and the balance outstanding at November 30, 2011 was \$14,725,000. The bond retirements for the current year include \$125 of additional discount credited by the trustee.

**Capital Lease**

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

The assets acquired through the capital lease are as follows:

<b>Assets</b>	
Golf carts	\$ 367,491
Less - Accumulated depreciation	<u>122,497</u>
Total	<u><u>\$ 244,994</u></u>

A schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of November 30, 2011 is as follows:

<b>For The Years</b>	
<b>Ended November 30</b>	
<hr/>	
2012	\$ 58,488
2013	58,488
2014	58,488
2015	<u>144,019</u>
Total Minimum Lease Payments	319,483
Less - Amount representing interest	<u>38,459</u>
Present Value Of Future Minimum Lease Payments	<u><u>\$ 281,024</u></u>

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

**NOTE E - DEFINED BENEFIT PENSION PLAN**

***Plan Description and Provisions***

The Plan is a single-employer, defined benefit pension plan that covers all of the City's employees who work at least 1,000 hours per year and elected to remain in the plan as of January 1, 2001. The Plan was created and is governed by City ordinance. The payroll for employees covered by the Plan for the year ended November 30, 2010, which is the date of the latest actuarial valuation available, was \$792,439 and the City's total payroll was \$13,494,037.

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:

<u>Group</u>	<u>November 30 2010</u>
Retirees and beneficiaries currently receiving benefits	11
Vested terminated employees and active employees	66

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

All contributions to the Plan are made by the City.

***Funding Status and Progress***

<u>Valuation For The Actuarial Years Ended November 30</u>	<u>Pension Plan</u>		
	<u>Actuarial Value Of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>
2010	\$ 10,618,328	\$14,206,543	\$3,588,215
2009	9,845,789	14,425,284	4,579,495
2008	7,779,850	14,672,021	6,892,171
2007	12,140,887	15,013,631	2,872,744
2006	11,584,456	15,752,896	4,168,440
2005	10,848,239	14,747,343	3,899,104

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

**NOTE E - DEFINED BENEFIT PENSION PLAN (Continued)**

<b>Pension Plan</b>			
<b>Valuation For The Actuarial Years Ended November 30</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL As A Percentage Of Covered Payroll</b>
2010	74.7 %	\$ 792,439	452.8 %
2009	68.3	930,946	491.9
2008	53.0	1,053,624	654.1
2007	80.9	1,134,536	253.2
2006	73.5	1,264,203	329.7
2005	73.6	1,809,894	215.4

<b>Schedule Of Employer Contributions</b>			
<b>For The Years Ended November 30</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2010	\$ 1,033,246	\$ 1,301,778	126.0 %
2009	1,597,209	1,283,642	80.4
2008	364,775	1,165,885	319.6
2007	525,967	1,128,974	214.6
2006	664,951	974,760	146.6
2005	753,115	657,014	87.2

Additional information as of the latest actuarial valuation follows:

Actuarial cost method	Frozen entry age
Amortization method	Using assumed rate of 7.5% over 26 years
Asset valuation method	At fair value or contract value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5%

***Annual Pension Cost***

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

***Trend Information***

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

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

**NOTE E - DEFINED BENEFIT PENSION PLAN (Continued)**

<b>Pension Plan</b>				
<b>Valuation For The Actuarial Years Ended November 30</b>	<b>Annual Pension Cost</b>	<b>Percentage Contributed</b>	<b>Net Pension Obligation (Asset)</b>	<b>Increase (Decrease) Net Pension Obligation (Asset)</b>
2010	\$ 1,050,098	124.0 %	\$ (806,343)	\$ (251,680)
2009	1,621,080	79.2	(554,663)	337,438
2008	366,975	317.7	(892,101)	(798,910)
2007	515,116	219.2	(93,191)	(613,858)
2006	649,379	150.1	520,667	(325,381)
2005	740,728	88.7	846,048	83,714

<b>Annual Pension Cost</b>				
<b>Valuation For The Actuarial Years Ended November 30</b>	<b>Annual Required Contribution</b>	<b>Interest On The Net Pension Obligation (Asset)</b>	<b>Adjustment To The Annual Required Contribution</b>	<b>Annual Pension Cost</b>
2010	\$ 1,033,246	\$ (41,600)	\$ 58,452	\$ 1,050,098
2009	1,597,209	(66,908)	90,779	1,621,080
2008	364,775	(6,989)	9,189	366,975
2007	525,967	39,050	(49,901)	515,116
2006	664,951	63,454	(79,026)	649,379
2005	753,115	57,175	(69,562)	740,728

**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 October are due and payable prior to December 31. Since 1998, the City has voluntarily reduced the property tax rate to zero.

**NOTE G - INSURANCE**

The City managed risks of loss related to employee life, health and disability, workers' compensation, property, and liability by purchasing commercial insurance for the year ended November 30, 2011.

There was no significant reduction in insurance coverage during the year ended November 30, 2011 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

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

**NOTE H - DEFICIT BALANCES**

The Community Development Fund, a Special Revenue Fund, had a deficit fund balance at November 30, 2011 of \$4,214. This fund deficit is expected to be funded with future revenues.

**NOTE I - CONTINGENCIES AND COMMITMENTS**

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

**NOTE J - INTERFUND TRANSACTIONS**

Individual interfund transactions are as follows:

**Due from/to other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>November 30 2011</u>
General Fund	Agency Fund	\$219,179
General Fund	Capital Improvements Fund	302,086
General Fund	Sewer Lateral Fund	1,035
General Fund	Park Improvement Fund	11,321
General Fund	Community Development Fund	<u>6,140</u>
Total		<u>\$539,761</u>

All of these interfund balances are due to either timing differences or to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the next fiscal year.

**Interfund transfers:**

<u>Transfers Out</u>	<u>Transfers In</u>	<u>For The Year Ended November 30 2011</u>
Sewer Lateral Fund	General Fund	\$ 298,224
Park Improvement Fund	Debt Service Fund	562,991
Capital Improvements Fund	Debt Service Fund	<u>305,896</u>
Total		<u>\$1,167,111</u>

Interfund transfers may be used to 1) move revenues from the fund that ordinance or budget required to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected to other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

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

---

**NOTE K - DEFINED CONTRIBUTION PLAN**

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

The Money Purchase Pension Plan is funded through the Hartford 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.

For employees hired after December 1, 2010, the employer contributions are 6% of earnings. In addition, an employee may irrevocably elect a 4% picked-up contribution. The employer will match the employee contribution not to exceed 2% of earnings.

Contributions are fully vested after seven years of continuous service. Contributions to the Plan for the year ended November 30, 2011, amounted to \$234,453 for employees and \$1,182,986 for the City.

**NOTE L - CONDUIT DEBT OBLIGATIONS**

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

Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate future principal maturities of outstanding bonds at November 30, 2011 was \$13,645,000.

**NOTE M - RESTRICTED NET ASSETS**

The government-wide statement of net assets reports \$4,399,394 of restricted net assets, of which \$3,977,371 is restricted by enabling legislation. The balance of \$422,023 is restricted by indentures of the long-term debt.

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

**NOTE N - TAX INCREMENT REVENUES PLEDGED**

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds issued by the IDA and the City to finance certain improvements in the City. The bonds are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. Incremental taxes were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds per Note D is payable through April 17, 2028. For the current year, the IDA's principal and interest paid, and total incremental tax revenues were \$1,859,250 and \$1,719,469, respectively. For the current year, the City's principal and interest paid, and total incremental tax revenues were \$445,524 and \$502,176, respectively.

**NOTE O - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS**

**Plan Description**

The City provides healthcare benefits to employees defined as City retirees who have attained age 55 plus 10 years of service as long as the retiree pays the monthly premium. Individual and spousal medical and prescription drug benefits are available to retirees in the City's fully-insured plan. Retirees must contribute the entire monthly premium for single/family coverage. \$5,000 life insurance coverage is also provided for retirees. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities. The City's annual OPEB cost as of the most recent actuarial valuation and the related information are as follows:

	<b>For The Year Ended November 30 2011</b>
Amortization of past service cost	\$ 62,782
Normal cost	31,776
Interest to end of fiscal year	3,782
ARC	98,340
Interest on net OPEB obligation	4,458
Adjustment to ARC	(8,200)
Annual OPEB cost	94,598
Contributions made	(34,740)
Increase In Net OPEB Obligation	59,858
Net OPEB Obligation, December 1, 2010	111,445
Net OPEB Obligation, November 30, 2011	\$ 171,303

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

**NOTE O - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS**  
**(Continued)**

The Plan was established by City Ordinance, which assigned the authority to establish and amend benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City.

Fiscal year 2009 was the year of implementation of GASB 45 and the City has elected to have actuarial valuations performed bi-annually.

**Required Supplemental Information**

**Schedule Of Funding Progress**

<u>For The Actuarial Valuation December 1</u>	<u>Actuarial Value Of Assets (1)</u>	<u>Actuarial Accrued Liability (2)</u>	<u>Unfunded Accrued Liability (UAAL) (1)-(2)</u>	<u>Funded Ratio (1)/(2)</u>
2010	\$ -	\$ 887,357	\$ 887,357	- %
2008	-	858,882	858,882	-

**Schedule Of Employer Contributions**

<u>For The Years Ended November 30</u>	<u>Annual Required Contribution</u>	<u>Expected Employer Contribution</u>	<u>Percent Contributed</u>
2011	\$ 98,340	\$ 34,740	35.33 %
2009	96,257	37,024	38.46

Significant actuarial assumptions used in the valuation are as follows:

Valuation method	Projected unit credit method
Latest valuation date	November 30, 2011
Discount rate	4% per annum
Amortization period	20 years for initial UAAL
Payroll inflation	N/A
Mortality	RP-2000 Mortality Table
Medical premium rates	9.5% initial rate; 5.5% alternate rate

**NOTE P - FEDERAL FORFEITURE ACTIVITY**

For the year ended November 30, 2011, the City had a beginning balance of \$125,085, revenues of \$297,397, and expenditures of \$212,174, for and ending balance of \$210,308 in the federal forfeiture account.



**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
<b>Taxes</b>				
Cigarette	\$ 150,000	150,000	148,481	(1,519)
Gasoline	1,750,000	1,750,000	1,729,523	(20,477)
Road and bridge	625,000	625,000	637,905	12,905
Sales	6,600,000	6,600,000	7,084,234	484,234
Utility	6,200,000	6,200,000	7,068,707	868,707
Total Taxes	<u>15,325,000</u>	<u>15,325,000</u>	<u>16,668,850</u>	<u>1,343,850</u>
<b>Licenses and Permits</b>				
Business licenses	700,000	700,000	685,817	(14,183)
Liquor license	50,000	50,000	55,647	5,647
Building permits	250,000	250,000	220,408	(29,592)
Minimum housing	200,000	200,000	197,794	(2,206)
Annual sign fee	20,000	20,000	20,214	214
Other permits	20,000	20,000	18,695	(1,305)
Total Licenses And Permits	<u>1,240,000</u>	<u>1,240,000</u>	<u>1,198,575</u>	<u>(41,425)</u>
<b>Charges for Services</b>				
Green fees	272,810	272,810	258,371	(14,439)
Cart fees	268,358	268,358	184,874	(83,484)
Pro shop sales	13,284	13,284	26,669	13,385
Concession sales and fees, golf course	91,088	91,088	103,937	12,849
Nature lodge rental	5,000	5,000	6,460	1,460
Classes (except skate/swim)	65,000	65,000	86,295	21,295
Gym rental	20,000	20,000	16,695	(3,305)
Ice rink	70,000	70,000	56,140	(13,860)
Swimming pool - JJE	100,000	100,000	106,262	6,262
Swimming pool - Bangert	50,000	50,000	62,511	12,511
Swimming pool - Koch	130,000	130,000	131,156	1,156
Miscellaneous	284,500	284,500	299,911	15,411
Playground	45,000	45,000	49,600	4,600
Theatre	130,000	130,000	138,669	8,669
Concessions	100,000	100,000	90,458	(9,542)
Total Charges For Services	<u>1,645,040</u>	<u>1,645,040</u>	<u>1,618,008</u>	<u>(27,032)</u>
<b>Other</b>				
Other miscellaneous	700,000	700,000	724,071	24,071
Cable television	475,000	475,000	547,379	72,379
Senior citizen luncheons	20,000	20,000	33,339	13,339
Total Other	<u>1,195,000</u>	<u>1,195,000</u>	<u>1,304,789</u>	<u>109,789</u>

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over</b>
	<b>Original</b>	<b>Final</b>		<b>(Under)</b>
<b>REVENUES (Continued)</b>				<b>Budget</b>
<b>Investment Income</b>	25,000	25,000	28,208	3,208
<b>Fines and Forfeitures</b>	3,050,000	3,050,000	3,298,846	248,846
<b>Intergovernmental</b>	631,064	876,064	562,311	(313,753)
Total Revenues	<u>23,111,104</u>	<u>23,356,104</u>	<u>24,679,587</u>	<u>1,323,483</u>
<b>EXPENDITURES</b>				
<b>General Government</b>				
Legislative:				
Salaries	105,612	105,612	102,720	(2,892)
Employees' benefits	28,148	28,148	27,557	(591)
Dues, travel, and training	27,000	25,700	13,345	(12,355)
Total Legislative	<u>160,760</u>	<u>159,460</u>	<u>143,622</u>	<u>(15,838)</u>
Administrative:				
Salaries	862,673	877,673	875,201	(2,472)
Employees' benefits	355,166	355,166	339,472	(15,694)
Residency incentive program	138,000	138,000	106,050	(31,950)
Unemployment claims	25,000	45,000	38,594	(6,406)
City hall and litigation	6,500	6,500	4,766	(1,734)
Postage and printing	35,575	35,575	28,993	(6,582)
Office supplies/printing	34,750	44,750	38,262	(6,488)
Copy equipment rental/supplies	27,000	27,000	20,845	(6,155)
Mayor's expenditures	10,000	10,000	10,000	-
Dues, travel, and training	8,000	9,300	7,745	(1,555)
Election expenditures	25,000	85,000	64,480	(20,520)
Professional services	254,100	284,900	227,103	(57,797)
Legal notices and advertising	17,000	17,000	6,785	(10,215)
Service awards	5,000	5,000	2,881	(2,119)
Insurance, fire, and liability	765,000	715,000	662,981	(52,019)
Organization dues	21,690	21,690	21,276	(414)
Boards and commissions	1,500	1,500	900	(600)
Total Administrative	<u>2,591,954</u>	<u>2,679,054</u>	<u>2,456,334</u>	<u>(222,720)</u>
Senior services:				
Salaries	93,991	93,991	89,029	(4,962)
Employees' benefits	36,890	36,890	33,446	(3,444)
Uniforms and allowances	200	200	58	(142)
Utilities	6,400	6,400	4,201	(2,199)
Building maintenance and supplies	5,100	5,100	3,372	(1,728)
Office supplies/printing	5,600	5,600	2,331	(3,269)

(Continued)

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

<b>EXPENDITURES (Continued)</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>General Government (Continued)</b>				
Senior services (continued):				
Dues, travel, and training	500	500	121	(379)
Professional services	10,700	10,700	9,601	(1,099)
Senior citizen luncheons	33,000	33,000	28,455	(4,545)
Total Senior Services	<u>192,381</u>	<u>192,381</u>	<u>170,614</u>	<u>(21,767)</u>
Media:				
Salaries	91,693	91,693	88,241	(3,452)
Employees' benefits	36,798	36,798	35,299	(1,499)
Equipment repairs	3,000	3,000	1,325	(1,675)
Office supplies/printing	2,000	2,000	1,339	(661)
Materials and supplies	2,500	2,500	70	(2,430)
Dues, travel, and training	3,000	3,000	258	(2,742)
Professional services	24,000	24,000	18,565	(5,435)
Organization dues	300	300	-	(300)
Capital outlay	50,000	50,000	37,925	(12,075)
Total Media	<u>213,291</u>	<u>213,291</u>	<u>183,022</u>	<u>(30,269)</u>
Municipal court:				
Salaries	448,973	448,973	398,735	(50,238)
Employees' benefits	134,348	134,348	120,968	(13,380)
Office supplies/printing	5,500	5,500	5,406	(94)
Dues, travel, and training	4,250	4,250	2,828	(1,422)
Professional services	455,700	455,700	377,444	(78,256)
Total Municipal Court	<u>1,048,771</u>	<u>1,048,771</u>	<u>905,381</u>	<u>(143,390)</u>
Information technology:				
Salaries	74,559	74,559	73,758	(801)
Employees' benefits	34,976	34,976	33,169	(1,807)
Office supplies/printing	6,500	6,500	6,115	(385)
Materials and supplies	5,000	5,000	3,741	(1,259)
Dues, travel, and training	2,350	2,350	1,393	(957)
Professional services	44,400	24,400	4,752	(19,648)
Capital outlay	-	20,000	19,998	(2)
Total Information Technology	<u>167,785</u>	<u>167,785</u>	<u>142,926</u>	<u>(24,859)</u>
Housing center:				
Salaries	38,260	38,260	38,047	(213)
Employees' benefits	18,533	18,533	17,347	(1,186)
Office supplies/printing	1,000	1,000	740	(260)
Dues, travel, and training	1,000	1,000	787	(213)
Total Housing Center	<u>58,793</u>	<u>58,793</u>	<u>56,921</u>	<u>(1,872)</u>
Total General Government	<u>4,433,735</u>	<u>4,519,535</u>	<u>4,058,820</u>	<u>(460,715)</u>

**(Continued)**

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Culture and Recreation</b>				
Community and civic center:				
Salaries	1,264,915	1,264,915	1,168,802	(96,113)
Employees' benefits	257,790	257,790	236,360	(21,430)
Utilities	320,000	320,000	288,707	(31,293)
Total Community And Civic Center	<u>1,842,705</u>	<u>1,842,705</u>	<u>1,693,869</u>	<u>(148,836)</u>
Recreation - theatre:				
Salaries	149,205	149,205	144,204	(5,001)
Employees' benefits	60,260	60,260	50,050	(10,210)
Uniforms and allowances	250	250	247	(3)
Building maintenance and supplies	7,700	7,700	7,604	(96)
Office supplies/printing	9,920	9,920	9,812	(108)
Dues, travel, and training	3,350	3,350	3,282	(68)
Professional services	6,000	6,000	4,186	(1,814)
Theatre workshop	67,550	82,702	78,857	(3,845)
Publicity	6,020	6,020	5,581	(439)
Total Recreation - Theatre	<u>310,255</u>	<u>325,407</u>	<u>303,823</u>	<u>(21,584)</u>
Recreation - playground:				
Salaries	113,563	113,563	100,397	(13,166)
Employees' benefits	8,688	8,688	7,680	(1,008)
Total Recreation - Playground	<u>122,251</u>	<u>122,251</u>	<u>108,077</u>	<u>(14,174)</u>
Recreation - Bangert:				
Salaries	134,257	126,257	101,268	(24,989)
Employees' benefits	10,271	10,271	7,085	(3,186)
Utilities	9,210	17,210	14,590	(2,620)
Total Recreation - Bangert	<u>153,738</u>	<u>153,738</u>	<u>122,943</u>	<u>(30,795)</u>
Recreation - parks:				
Salaries	191,197	191,197	150,495	(40,702)
Employees' benefits	10,037	10,037	7,592	(2,445)
Debt service	12,000	12,000	572	(11,428)
Utilities	99,000	99,000	80,151	(18,849)
Building, maintenance, and supplies	5,000	5,000	23	(4,977)
Professional services	825,040	825,040	799,595	(25,445)
Total Recreation - Parks	<u>1,142,274</u>	<u>1,142,274</u>	<u>1,038,428</u>	<u>(103,846)</u>
Recreation - Koch Aquatic Center:				
Salaries	196,171	196,171	190,996	(5,175)
Employees' benefits	15,007	15,007	14,611	(396)
Utilities	36,530	51,530	40,555	(10,975)
Total Recreation - Koch Aquatic Center	<u>247,708</u>	<u>262,708</u>	<u>246,162</u>	<u>(16,546)</u>
Total Culture And Recreation	<u>3,818,931</u>	<u>3,849,083</u>	<u>3,513,302</u>	<u>(335,781)</u>

**(Continued)**

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

<b>EXPENDITURES (Continued)</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Public Safety</b>				
Police:				
Salaries	6,556,334	6,556,334	6,458,122	(98,212)
Employees' benefits	2,574,342	2,574,342	2,498,029	(76,313)
Uniforms and allowances	67,000	67,000	59,964	(7,036)
Telephone	116,000	116,000	112,489	(3,511)
Utilities	62,500	62,500	55,934	(6,566)
Gasoline	183,500	263,500	243,475	(20,025)
Building maintenance and supplies	64,000	64,000	49,575	(14,425)
Equipment repairs - vehicles	21,500	21,500	18,276	(3,224)
Office supplies/printing	27,000	27,000	23,278	(3,722)
Copy equipment - rental/supply	12,000	12,000	8,731	(3,269)
Communication service	265,000	265,000	257,936	(7,064)
Ammunition - armory supplies	10,000	10,000	9,764	(236)
Police forfeiture expenditures	-	245,000	214,906	(30,094)
Dues, travel, and training	47,250	47,250	45,094	(2,156)
Gasoline control account	65,000	65,000	(1,022)	(66,022)
Total Public Safety - Police	10,071,426	10,396,426	10,054,551	(341,875)
<b>Public Works and Health</b>				
Public works:				
Salaries	2,026,028	2,026,028	1,987,316	(38,712)
Employees' benefits	826,158	826,158	781,175	(44,983)
Uniforms and allowances	8,100	8,100	5,968	(2,132)
Utilities	87,000	90,000	87,958	(2,042)
Gasoline	45,000	58,500	54,890	(3,610)
Office supplies/printing	15,000	15,000	13,115	(1,885)
Ice/snow removal	150,000	335,000	271,913	(63,087)
Dues, travel, and training	56,670	56,670	34,430	(22,240)
Professional services	176,500	176,500	88,010	(88,490)
Street lighting	580,000	580,000	576,607	(3,393)
Capital outlay	445,600	442,600	428,324	(14,276)
Gasoline control account	25,000	25,000	981	(24,019)
Total Public Works	4,441,056	4,639,556	4,330,687	(308,869)
Health:				
Salaries	433,516	433,516	386,474	(47,042)
Employees' benefits	138,260	138,260	131,608	(6,652)
Uniforms and allowances	2,700	2,700	2,083	(617)
Utilities	8,000	9,000	7,827	(1,173)
Gasoline	30,000	42,100	40,228	(1,872)
Building maintenance and supplies	14,000	14,000	12,142	(1,858)
Office supplies/printing	4,000	4,000	2,147	(1,853)

**(Continued)**

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>EXPENDITURES (Continued)</b>				
<b>Public Works and Health (Continued)</b>				
Health (continued):				
Materials and supplies	20,000	21,900	18,413	(3,487)
Dues, travel, and training	500	500	220	(280)
Professional services	25,000	24,000	14,671	(9,329)
Total Health	675,976	689,976	615,813	(74,163)
Total Public Works And Health	5,117,032	5,329,532	4,946,500	(383,032)
Total Expenditures	23,441,124	24,094,576	22,573,173	(1,521,403)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(330,020)	(738,472)	2,106,414	2,844,886
<b>OTHER FINANCING SOURCES</b>				
Transfers in	298,224	298,224	298,224	-
<b>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>	\$ (31,796)	(440,248)	2,404,638	2,844,886
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			(857,764)	
Expenditure accrual adjustments			(246,656)	
Encumbrance adjustments			253,419	
Total Adjustments To Reconcile To GAAP Basis			(851,001)	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			1,553,637	
<b>FUND BALANCE, DECEMBER 1</b>			9,342,766	
<b>FUND BALANCE, NOVEMBER 30</b>			\$ 10,896,403	

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - CAPITAL IMPROVEMENTS FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 3,000,000	3,000,000	3,163,087	163,087
Investment income	2,500	2,500	3,501	1,001
Intergovernmental	1,360,000	1,360,000	821,824	(538,176)
Total Revenues	4,362,500	4,362,500	3,988,412	(374,088)
 <b>EXPENDITURES</b>				
Capital outlay	4,739,550	4,739,550	3,943,075	(796,475)
 <b>REVENUES OVER (UNDER) EXPENDITURES</b>	(377,050)	(377,050)	45,337	422,387
 <b>OTHER FINANCING USES</b>				
Transfers out	(323,000)	(323,000)	(305,896)	(17,104)
 <b>REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES</b>	\$ (700,050)	(700,050)	(260,559)	439,491
 <b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			158,843	
Expenditure accrual adjustments			(26,225)	
Encumbrance adjustments			120,595	
Issuance of long-term debt adjustments			1,554,770	
Total Adjustments To Reconcile To GAAP Basis			1,807,983	
 <b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			1,547,424	
 FUND BALANCE, DECEMBER 1			907,384	
 FUND BALANCE, NOVEMBER 30			\$ 2,454,808	



**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - PARK IMPROVEMENT FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,850,000	2,850,000	2,965,573	115,573
Investment income	2,500	2,500	859	(1,641)
Intergovernmental	-	7,200	410,101	402,901
Total Revenues	<u>2,852,500</u>	<u>2,859,700</u>	<u>3,376,533</u>	<u>516,833</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	2,065,580	2,102,780	1,900,877	(201,903)
Capital outlay	<u>182,250</u>	<u>182,250</u>	<u>132,913</u>	<u>(49,337)</u>
Total Expenditures	<u>2,247,830</u>	<u>2,285,030</u>	<u>2,033,790</u>	<u>(251,240)</u>
<b>REVENUES OVER EXPENDITURES</b>	604,670	574,670	1,342,743	768,073
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(601,000)</u>	<u>(571,000)</u>	<u>(562,991)</u>	<u>(8,009)</u>
<b>REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 3,670</u>	<u>3,670</u>	<u>779,752</u>	<u>776,082</u>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			89,745	
Expenditure accrual adjustments			45,609	
Encumbrance adjustments			<u>(421,865)</u>	
Total Adjustments To Reconcile To GAAP Basis			<u>(286,511)</u>	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			493,241	
<b>FUND BALANCE, DECEMBER 1</b>			<u>411,660</u>	
<b>FUND BALANCE, NOVEMBER 30</b>			<u>\$ 904,901</u>	

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - SEWER LATERAL FUND - BUDGET BASIS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 750,000	750,000	899,931	149,931
Investment income	5,000	5,000	11,564	6,564
Total Revenues	755,000	755,000	911,495	156,495
<b>EXPENDITURES</b>				
Current:				
Public works	206,784	207,674	134,947	(72,727)
Capital outlay	37,000	36,110	36,109	(1)
Total Expenditures	243,784	243,784	171,056	(72,728)
<b>REVENUES OVER EXPENDITURES</b>	511,216	511,216	740,439	229,223
<b>OTHER FINANCING USES</b>				
Transfers out	(298,224)	(298,224)	(298,224)	-
<b>REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	\$ 212,992	212,992	442,215	229,223
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>				
Revenue accrual adjustments			(5,421)	
Expenditure accrual adjustments			(14,533)	
Encumbrance adjustments			14,449	
Total Adjustments To Reconcile To GAAP Basis			(5,505)	
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>			436,710	
FUND BALANCE, DECEMBER 1			1,616,900	
<b>FUND BALANCE, NOVEMBER 30</b>			\$ 2,053,610	

**CITY OF FLORISSANT, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO**  
**SCHEDULES OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

---

**Budgets and Budgetary Accounting**

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

- a. The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following December 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted in the City to obtain taxpayer comments.
- c. The budget shall be adopted by the affirmative vote of a majority of the members of the Council no later than three days prior to the end of each respective fiscal year. Should the Council take no final action by this date, the budget, as submitted, shall be deemed to have been adopted.
- d. Current year budget includes amendments. The City Council is authorized to transfer budgeted amounts between departments within any fund and to alter the total expenditures of any fund. All appropriations not spent or legally encumbered at year-end lapse.
- e. Budgets are formally integrated into the City's internally generated financial statements as a management control device during the year for all funds budgeted.

Annual budgets are adopted for all funds except for the Neighborhood Stabilization Program, Community Development, Koch TIF, and Debt Service. 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 and adjustments for issuance of long-term debt is not included. Budgetary comparisons presented in this report compare budgeted amounts on the budgetary basis to actual amounts on the budgetary basis.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**OTHER SUPPLEMENTAL INFORMATION SECTION**

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

---

**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

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

**DEBT SERVICE FUND**

Debt Service Funds are 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 obligations.

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING**  
**BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**NOVEMBER 30, 2011**

	<u>Special Revenue Funds</u>				<b>Total Nonmajor Governmental Funds</b>
	<b>Community Development Fund</b>	<b>Home Equity Assurance Fund</b>	<b>Koch TIF Fund</b>	<b>Neighborhood Stabilization Program Fund</b>	
<b>ASSETS</b>					
Cash	\$ -	6,500	-	131,822	138,322
Investments	-	100,000	-	-	100,000
Receivables:					
Taxes	-	-	53,182	-	53,182
Interest	-	52	-	-	52
Intergovernmental	6,140	-	-	17,519	23,659
Restricted assets:					
Investments	-	-	368,841	-	368,841
	<u>-</u>	<u>-</u>	<u>368,841</u>	<u>-</u>	<u>368,841</u>
Total Assets	<u>\$ 6,140</u>	<u>106,552</u>	<u>422,023</u>	<u>149,341</u>	<u>684,056</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	29,000	-	17,519	46,519
Accrued payroll	4,214	-	-	-	4,214
Due to other funds	6,140	-	-	-	6,140
	<u>10,354</u>	<u>29,000</u>	<u>-</u>	<u>17,519</u>	<u>56,873</u>
<b>Fund Balances (Deficit)</b>					
Restricted for:					
Debt service	-	-	422,023	-	422,023
Neighborhood stabilization	-	-	-	131,822	131,822
Committed for:					
Home equity assurance	-	77,552	-	-	77,552
Unassigned	(4,214)	-	-	-	(4,214)
	<u>(4,214)</u>	<u>77,552</u>	<u>422,023</u>	<u>131,822</u>	<u>627,183</u>
Total Fund Balances (Deficit)	<u>(4,214)</u>	<u>77,552</u>	<u>422,023</u>	<u>131,822</u>	<u>627,183</u>
Total Liabilities And Fund Balances (Deficit)	<u>\$ 6,140</u>	<u>106,552</u>	<u>422,023</u>	<u>149,341</u>	<u>684,056</u>

**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT**  
**OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES (DEFICIT) - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<u>Special Revenue Funds</u>					<b>Total Nonmajor Governmental Funds</b>
	<b>Community Development Fund</b>	<b>Home Equity Assurance Fund</b>	<b>Koch TIF Fund</b>	<b>Neighborhood Stabilization Program Fund</b>	<b>Debt Service Fund</b>	
<b>REVENUES</b>						
Taxes	\$ -	-	502,176	-	-	502,176
Other	-	20	-	363,607	100,000	463,627
Investment income	-	1,046	-	-	56,743	57,789
Intergovernmental	231,204	-	-	322,193	-	553,397
Total Revenues	<u>231,204</u>	<u>1,066</u>	<u>502,176</u>	<u>685,800</u>	<u>156,743</u>	<u>1,576,989</u>
<b>EXPENDITURES</b>						
Current:						
General government	228,855	64,106	5,250	553,978	-	852,189
Debt service:						
Principal	-	-	341,000	-	575,000	916,000
Interest	-	-	104,524	-	349,914	454,438
Advance refunding escrow	-	-	-	-	1,414,063	1,414,063
Total Expenditures	<u>228,855</u>	<u>64,106</u>	<u>450,774</u>	<u>553,978</u>	<u>2,338,977</u>	<u>3,636,690</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	2,349	(63,040)	51,402	131,822	(2,182,234)	(2,059,701)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	-	-	868,887	868,887
<b>NET CHANGES IN FUND BALANCES (DEFICIT)</b>	2,349	(63,040)	51,402	131,822	(1,313,347)	(1,190,814)
FUND BALANCES (DEFICIT), DECEMBER 1	<u>(6,563)</u>	<u>140,592</u>	<u>370,621</u>	<u>-</u>	<u>1,313,347</u>	<u>1,817,997</u>
<b>FUND BALANCES (DEFICIT), NOVEMBER 30</b>	<u>\$ (4,214)</u>	<u>77,552</u>	<u>422,023</u>	<u>131,822</u>	<u>-</u>	<u>627,183</u>



**CITY OF FLORISSANT, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - HOME EQUITY ASSURANCE FUND**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

---

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other	\$ -	-	20	20
Investment income	500	500	1,046	546
Total Revenues	<u>500</u>	<u>500</u>	<u>1,066</u>	<u>566</u>
 <b>EXPENDITURES</b>				
Current:				
General government	<u>10,000</u>	<u>140,000</u>	<u>64,106</u>	<u>(75,894)</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u><u>\$ (9,500)</u></u>	 <u><u>(139,500)</u></u>	 <u>(63,040)</u>	 <u><u>76,460</u></u>
 FUND BALANCE, DECEMBER 1			 <u>140,592</u>	
 FUND BALANCE, NOVEMBER 30			 <u><u>\$ 77,552</u></u>	

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

---

**FIDUCIARY FUND TYPES - AGENCY FUNDS**

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

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

**CITY OF FLORISSANT MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - STATEMENT OF**  
**CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2011**

	<u>Balance November 30 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance November 30 2011</u>
<b>ASSETS</b>				
Cash	\$ 1,730,328	56,298	542,606	1,244,020
Investments	300,000	-	300,000	-
	<u>\$ 2,030,328</u>	<u>56,298</u>	<u>842,606</u>	<u>1,244,020</u>
Total Assets	<u>\$ 2,030,328</u>	<u>56,298</u>	<u>842,606</u>	<u>1,244,020</u>
<b>LIABILITIES</b>				
Due to others:				
Court bonds	\$ 792,356	-	313,818	478,538
Construction deposits	156,138	56,298	-	212,436
Other deposits	344,534	-	10,667	333,867
	<u>1,293,028</u>	<u>56,298</u>	<u>324,485</u>	<u>1,024,841</u>
Due to other funds	<u>737,300</u>	<u>-</u>	<u>518,121</u>	<u>219,179</u>
	<u>\$ 2,030,328</u>	<u>56,298</u>	<u>842,606</u>	<u>1,244,020</u>
Total Liabilities	<u>\$ 2,030,328</u>	<u>56,298</u>	<u>842,606</u>	<u>1,244,020</u>