

# CITY OF FLORISSANT

## 2010 Simplified Annual Financial Report



**In an ongoing effort to keep residents informed I am pleased to present this Simplified Annual Financial Report. The information contained in this report is taken from the City's annual audited Financial Report for the year ended November 30, 2010.**

**I hope you will find the information contained herein to be both interesting and useful.**

*Mayor Robert J. Lowery, Sr.*

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## Financial Activity Statement

### For Years Ended November 30, 2006, 2007, 2008, 2009 & 2010

### All Governmental Fund Types\*

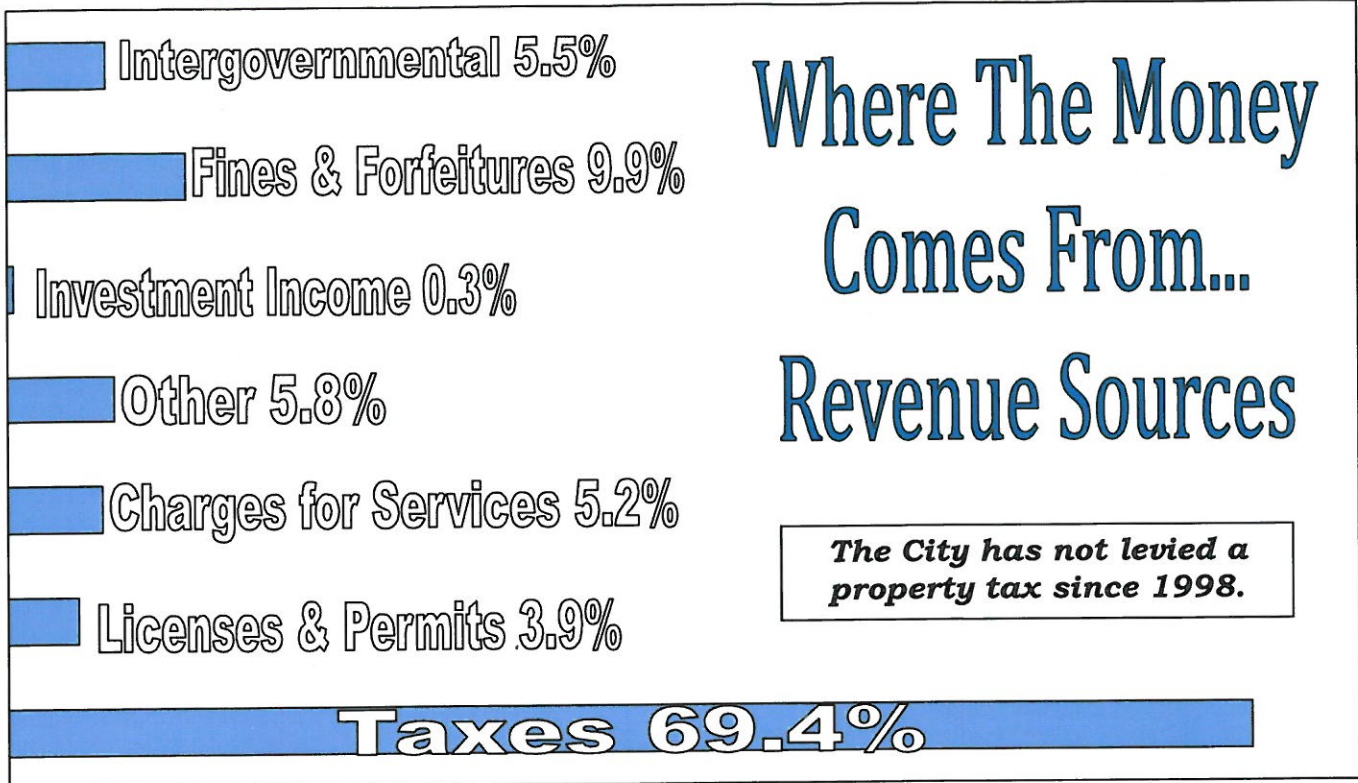
| REVENUES:                       | <u>2006</u>      | <u>2007</u>      | <u>2008</u>      | <u>2009</u>      | <u>2010</u>      |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| Taxes                           | \$ 18,833,240    | \$ 20,065,150    | \$ 23,417,586    | \$ 21,342,196    | \$ 22,998,993    |
| Licenses and Permits            | 1,357,132        | 1,281,834        | 1,306,077        | 1,231,113        | 1,290,617        |
| Charges for Services            | 1,843,461        | 1,776,420        | 1,611,522        | 1,684,900        | 1,732,100        |
| Other                           | 925,515          | 971,462          | 923,093          | 1,171,837        | 1,944,061        |
| Investment Income               | 632,030          | 675,724          | 463,488          | 195,164          | 107,275          |
| Fines & Forfeitures             | 1,889,723        | 2,476,778        | 2,115,308        | 1,961,675        | 3,270,692        |
| Intergovernmental               | <u>522,392</u>   | <u>1,410,657</u> | <u>1,002,701</u> | <u>842,912</u>   | <u>1,815,990</u> |
| Total Revenues                  | 26,003,493       | 28,658,025       | 30,839,775       | 28,429,797       | 33,159,728       |
| <b>EXPENDITURES BY FUNCTION</b> |                  |                  |                  |                  |                  |
| General Government              | 3,910,283        | 3,941,635        | 4,147,104        | 4,146,718        | 4,934,377        |
| Culture & Recreation            | 5,955,787        | 5,624,381        | 5,672,696        | 5,923,225        | 5,368,070        |
| Public Safety                   | 8,465,806        | 8,985,241        | 9,630,268        | 10,234,946       | 9,831,444        |
| Public Works & Health           | 4,476,294        | 5,037,788        | 5,341,838        | 5,408,501        | 4,485,819        |
| Economic Development            | 1,979,431        | 0                | 0                | 0                | 0                |
| Capital Outlay                  | 3,229,292        | 4,147,779        | 3,331,209        | 4,008,287        | 3,622,697        |
| Debt Service                    | <u>1,530,370</u> | <u>1,541,605</u> | <u>1,736,637</u> | <u>1,849,962</u> | <u>1,656,661</u> |
| Total Expenditures              | 29,547,263       | 29,278,429       | 29,859,752       | 31,571,639       | 29,899,068       |
| Transfers in                    | 1,306,279        | 1,337,866        | 1,345,653        | 1,300,224        | 856,710          |
| Transfers out                   | (1,630,508)      | (1,337,866)      | (1,345,653)      | (1,300,224)      | (856,710)        |
| Bond Proceeds                   | 2,330,000        | 0                | 0                | 0                | 0                |
| Proceeds from Capital Lease     | 425,081          | 0                | 0                | 0                | 370,715          |
| Net Change in Fund Balance      | \$ (1,112,918)   | \$ (620,404)     | \$ 980,023       | \$ (3,141,842)   | \$ 3,631,375     |

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

Total revenues were excellent. Taxes increased \$1,656,797 due to an increase in the utility tax rate from 5% to 7%. Other revenue increased \$772,224 due to including \$813,089 from the Department of Revenue settlement. Fines and forfeitures increased \$1,309,017 due to increased enforcement. Intergovernmental revenue increased \$973,078. Total revenues increased \$4,729,931.

Expenditures were down across-the-board with the exception of General Government which was up \$787,659. Total expenditures were down \$1,672,571.

The Combined Fund Balance increased \$3,631,375. The General Fund increased \$3,239,630, the Capital Improvement Fund increased \$130,376 and the Sewer Lateral Fund increased \$543,870. The Park Improvement Fund decreased \$233,391 and Other Governmental funds decreased \$49,110.



Taxes: 69.4%

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

Investment Income: 0.3%

Revenue earned by investing city funds.

Charges for Services: 5.2%

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

Other: 5.8%

Derived from various sources such as cable TV franchise fees, land rental fees, police reports, property maintenance payments and many other sources.



Licenses and Permits: 3.9%

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



Intergovernmental Revenue: 5.5%

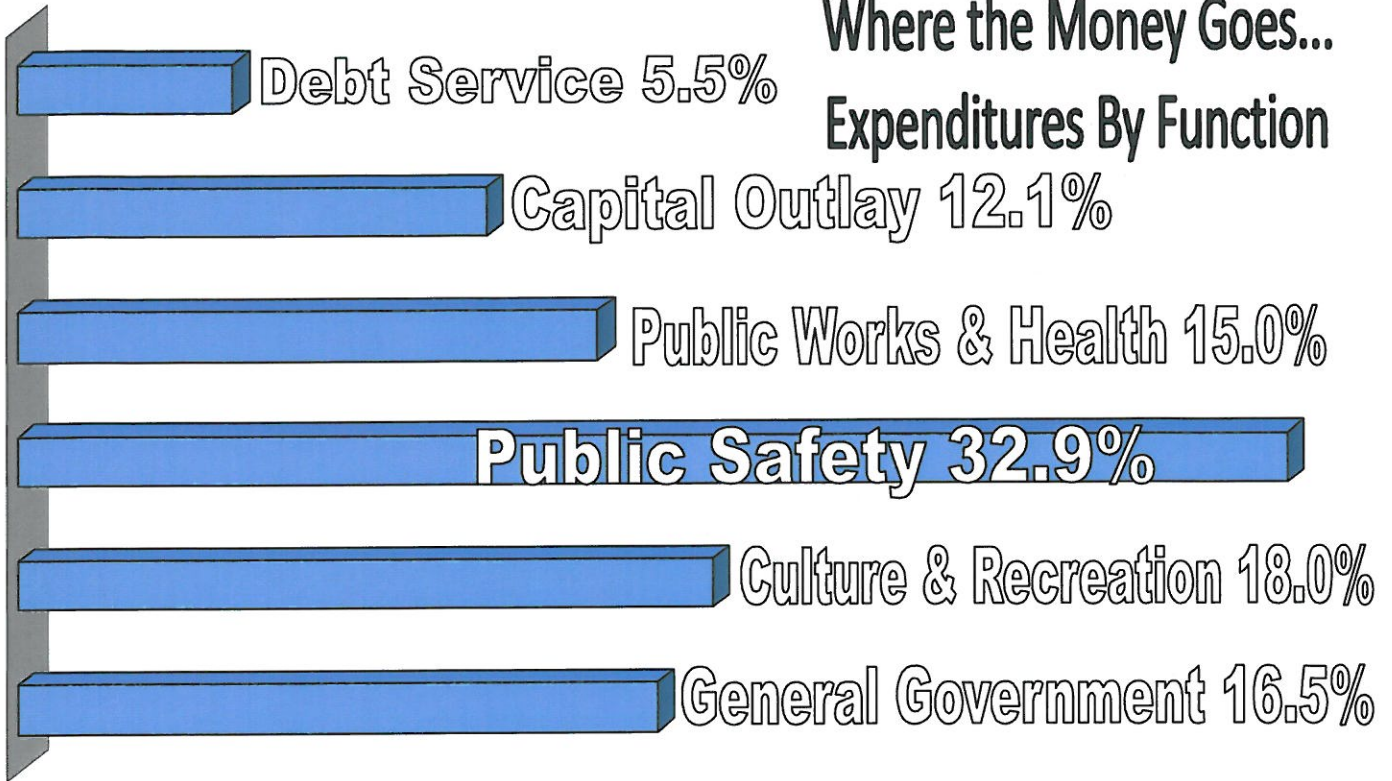
Grants and reimbursements from the Federal government, the state of Missouri, local school districts, the municipal parks grant commission, and other sources.

Fines and Forfeitures: 9.9%

Revenue from fines and costs collected in the municipal court.

## Where the Money Goes...

### Expenditures By Function



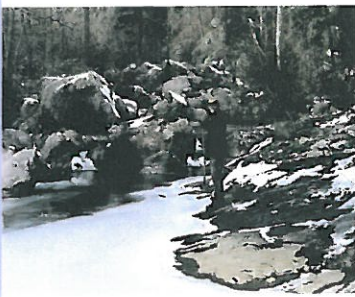
General Government: 16.5%

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

Culture & Recreation: 18.0%

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

Public Works & Health: 15.0%



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

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

Public Safety: 32.9%

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

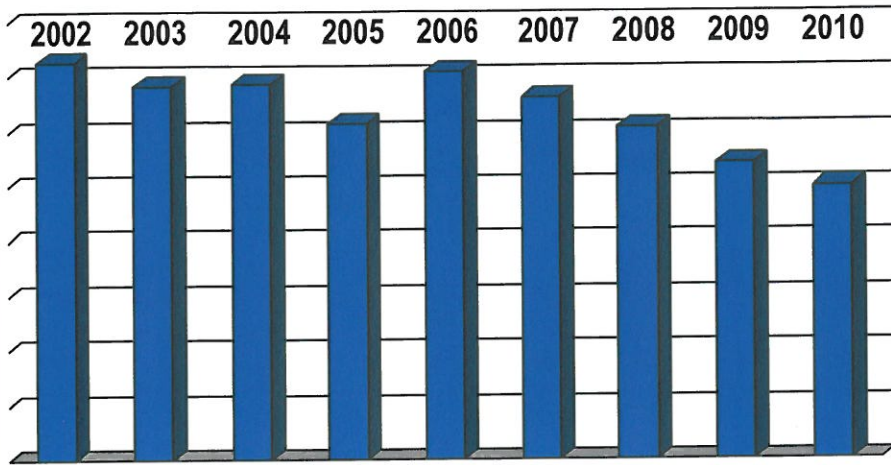


Capital Outlay: 12.1%

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

Debt Service: 5.5%

Included principal and interest payments for renovations to the two civic centers and Bangert pool in 2002, the Koch Plaza TIF project in 2006 and the capital lease for golf carts in 2010.



## Long-term Debt 2002-2010

|                   |                    |
|-------------------|--------------------|
| COPS              | \$7,215,000        |
| TIF Bonds         | 1,590,000          |
| Capital Lease     | 324,264            |
| Absences          | 844,820            |
| <b>Total Debt</b> | <b>\$9,974,084</b> |

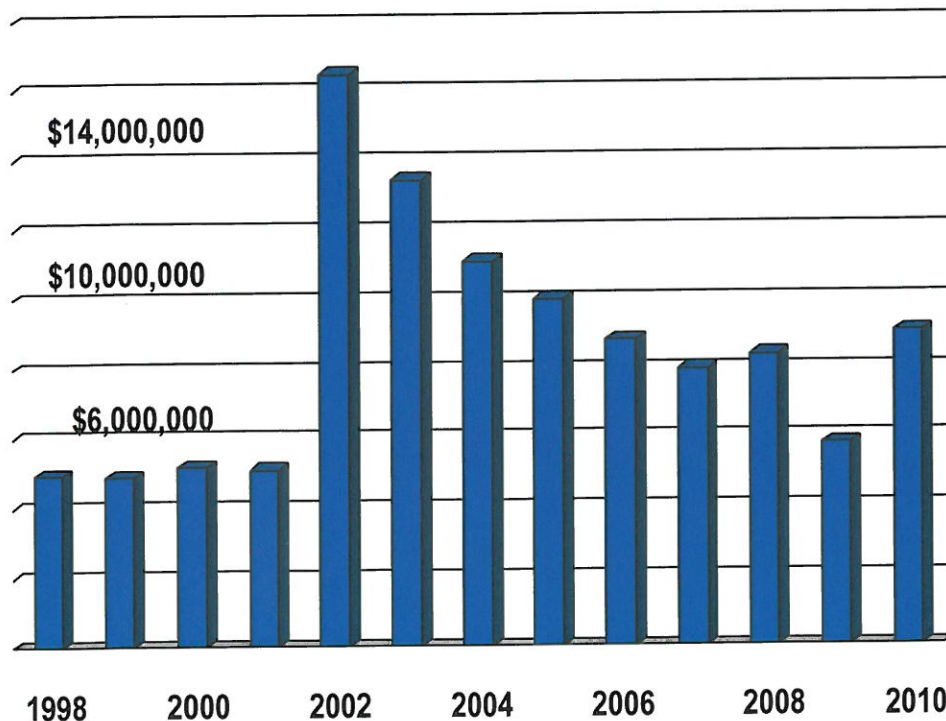
2002 Certificates of Participation (COPS) - Issued to finance the renovation of the two civic centers and Bangert Park pool. Debt matures in 2022.

Compensated Absences - Reflects the outstanding liability on the city's financial statement for the value of employees accumulated vacation. Vacation leave balances must be used during the normal course of operations.

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

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

## General Fund Unreserved Fund Balance



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

The 2010 unreserved general fund balance is \$9,030,706.

# Highlights From 2010 and the Outlook for the Future

In 2010 the City continued to deal with a sluggish economy. Sales tax, the City's primary revenue source, has declined by 10% from peak levels in 2007 and 2008.

In 2008 the Director of Finance determined that the Missouri Department of Revenue had not properly adjusted the City's population for four annexations. After contacting them numerous times and filing a law suit, DOR finally agreed in August 2010 to reimburse the City for the underpayment of the motor fuel tax, motor vehicle sales tax and motor vehicle fee increases in the amount of \$813,089 beginning in October, 2010. The City agreed to waive its claim on unpaid cigarette tax monies estimated at \$46,539.



On December 15, 2009 representatives from Missouri State Auditor Susan Montee's office arrived to begin field work on a petition audit. Field auditors were present at the City through the middle of March, 2010.

The petition audit was a comprehensive review of all aspects of City government, including cash



handling, purchasing procedures, budgeting practices, accounting procedures, sale of property, minutes of meetings, use of resources, and compliance with various

policies, procedures, rules, regulations, and statutes. The State Auditor's office also conducted an audit of the City of Florissant Municipal Court at the same time. Neither report contained any significant findings. Copies of each audit are available on the State Auditor's web site.

The 2010 U.S. Census results for the State of Missouri have been released and show that the

state's population increased 7.0% in 2010. St. Louis County's population decreased 1.7%. The City of Florissant's population grew 3.3%.

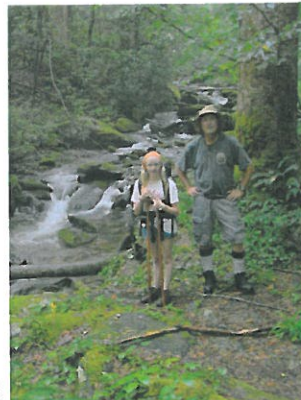


Unfortunately, the raw numbers do not tell the whole story. The City was successful in securing a number of annexations subsequent to the 2000 census. In reality, the City's population dropped 4.7% when including the annexations.

Six of the City's revenue sources are based on the City's population as part of a larger pooled population. These revenue sources represent 41% of the 2011 adopted revenue budget for the general and capital improvement sales tax funds combined.

Estimates indicate that the 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.

In April 2011 the City will elect a new Mayor. The current Mayor, Robert G. Lowery, Sr., has decided not to seek another term. Mayor Lowery has served the City in some capacity for fifty years. Prior to his election as Mayor, he served as the Chief of Police for twenty-three years. Mayor Lowery's dedication to the City, his experience and knowledge of the City's history and people, his standing throughout the metropolitan area and the State of Missouri, and his commitment to keeping the City of Florissant a safe and vibrant place to live and work will be missed.



These highlights are taken from the *Management's Discussion and Analysis (MD&A)* which is located in the front of the audited financial report. Further information on the topics highlighted above and other information can be found in the MD&A.