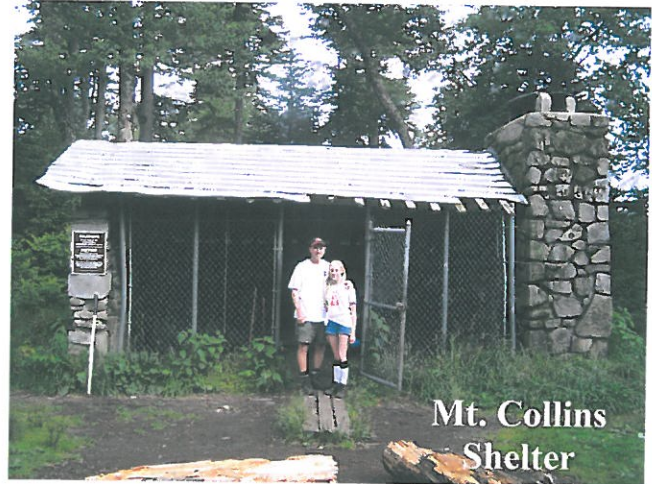


City of Florissant

2014 Simplified Annual Financial Report



This Simplified Annual Financial Report represents an effort to keep residents of the City of Florissant informed on the basic financial condition of the City. The information contained in this report is taken from the City's annual audited Financial Report for the year ended November 30, 2014 with supplemental information from prior year financial reports. Complete reports are available on the finance department page of the city's web site.

I hope you will find this informative and useful. Your comments and suggestions are welcome.

Randal J. McDaniel
Director of Finance

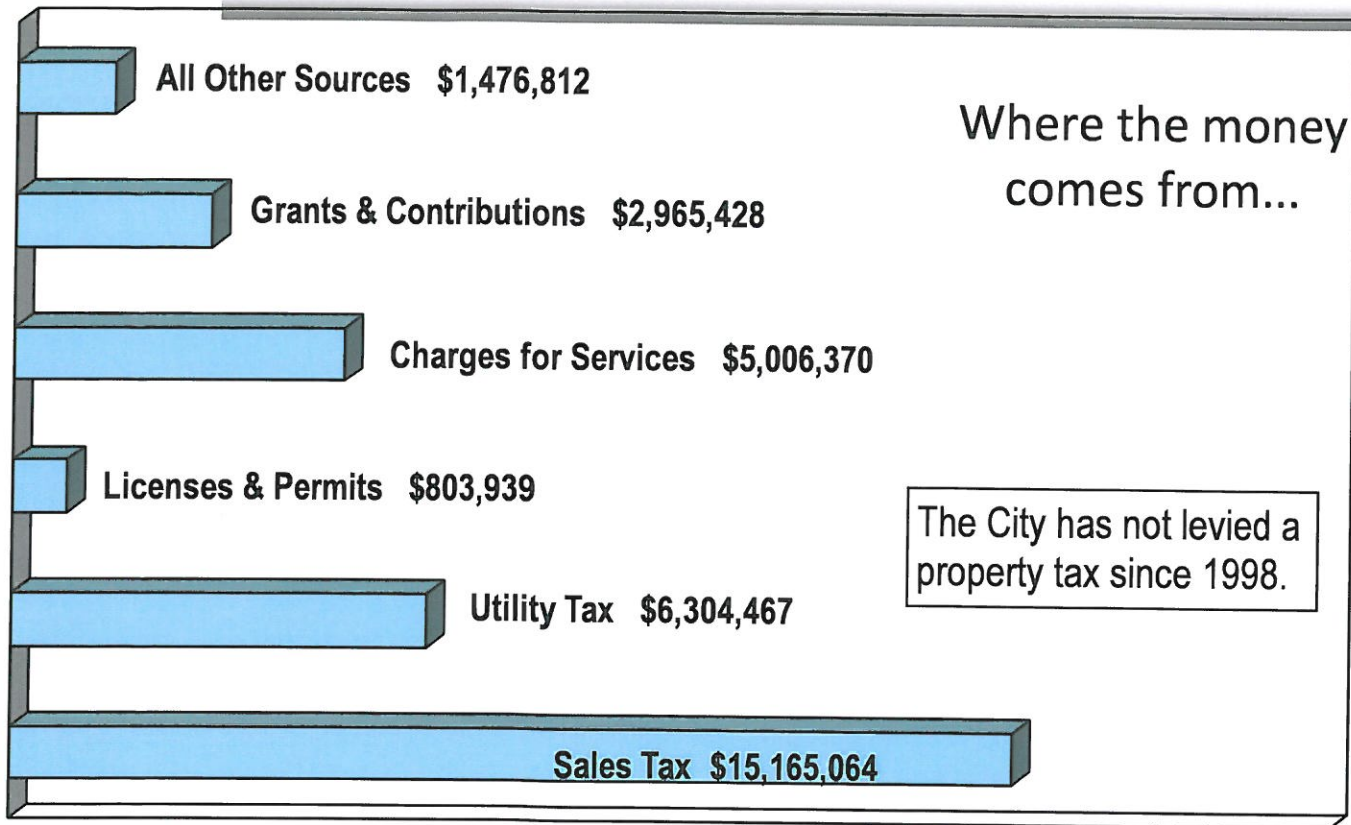
FINANCIAL ACTIVITY STATEMENT FOR THE YEARS ENDED NOVEMBER 30, 2010 TO 2014 ALL GOVERNMENTAL FUND TYPES*

REVENUES:	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Taxes	\$ 22,998,993	\$ 23,937,055	\$ 22,946,659	\$ 22,911,348	\$ 24,294,377
Licenses and Permits	1,290,617	1,198,575	1,317,322	1,245,418	1,491,579
Charges for Services	1,732,100	1,618,008	1,701,472	1,481,038	1,512,117
Other	1,944,061	1,366,523	1,258,969	1,460,865	1,383,249
Investment Income	107,275	99,232	24,216	20,483	17,707
Fines & Forfeitures	3,270,692	3,242,726	3,144,909	2,966,669	2,491,846
Intergovernmental	<u>1,815,990</u>	<u>2,456,300</u>	<u>757,575</u>	<u>800,746</u>	<u>663,652</u>
Total Revenues	33,159,728	33,918,419	31,151,122	30,886,567	31,854,527
EXPENDITURES BY FUNCTION					
General Government	4,934,377	4,823,360	4,389,645	4,306,123	4,859,389
Culture & Recreation	5,368,070	5,381,665	5,593,163	5,605,305	5,908,821
Public Safety	9,831,444	10,249,119	10,176,284	10,256,505	10,434,556
Public Works & Health	4,485,819	4,542,181	4,515,503	4,561,637	4,698,018
Capital Outlay	3,622,697	4,793,677	3,638,432	4,623,349	4,444,953
Debt Service	<u>1,656,661</u>	<u>3,014,019</u>	<u>1,423,757</u>	<u>1,336,193</u>	<u>1,525,267</u>
Total Expenditures	29,899,068	32,804,021	29,736,784	30,689,112	31,871,004
Issuance of Long-term Debt	0	7,200,000	0	0	0
Refunding of Long-term Debt less Premium on Issuance	0	(5,474,200)	0	0	0
Proceeds from Capital Lease	370,715	0	0	0	0
Net Change in Fund Balance	3,631,375	2,840,198	1,414,338	197,455	(16,477)
Fund Balance	\$ 14,096,707	\$ 16,936,905	\$ 18,351,243	\$ 18,548,698	\$ 18,532,221

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

Total governmental fund balance decreased \$16,477. The General Fund balance increased \$297,632 to \$13,048,226, the Capital Improvement Fund balance decreased \$45,900 to \$1,778,720, the Park Improvement Fund balance increased \$203,146 to \$1,099,063, and the Sewer Lateral Fund balance decreased \$84,690 to \$2,009,850. The Capital Improvement Fund balance includes \$31,152 being held for the uncompleted projects related to the 2011 COPS bond issue.

Total revenues increased \$967,960 or 3.1%. Taxes, which includes cigarette, gasoline, road & bridge, sales, and utility taxes, accounted for 76.3% of all revenues. Total expenditures increased \$1,181,892 or 3.9%. Public Safety continues to be the single largest expenditure by function with expenditures of \$10,434,556 or 32.7% of total expenditures.



Sales Tax: 47.8%

Includes the 1% general sales tax, ½% capital improvement sales tax and the ½% park improvement sales tax.

Utility Tax: 19.9%

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

Charges for Services: 15.8%

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

Grants and Contributions: 9.3%

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

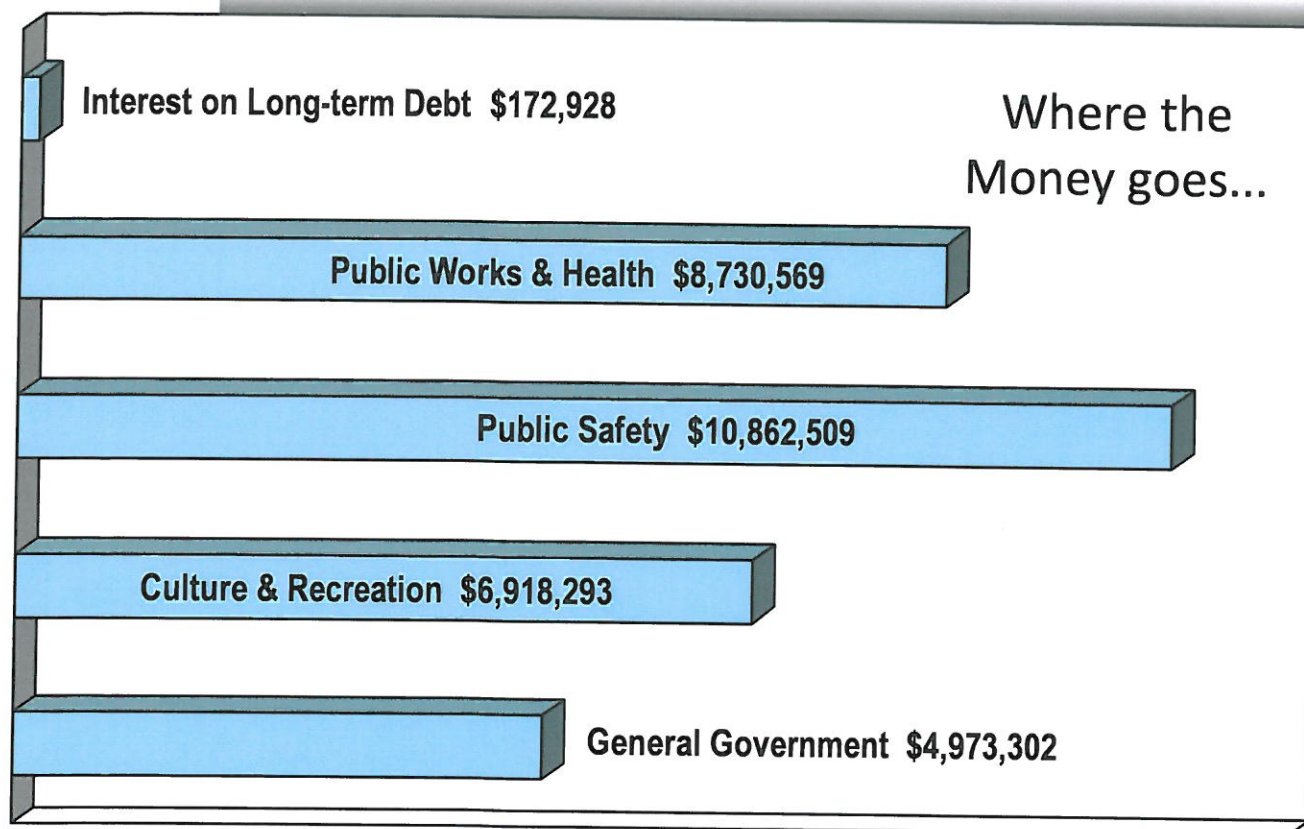
Licenses & Permits: 2.5%

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

All Other Sources: 4.7%

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

*Information taken from the Statement of Activities



General Government: 15.7%

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

Public Safety: 34.3%

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

Public Works & Health: 27.6%

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.

Interest on Long-term Debt: 0.5%

Interest payments for the 2011 Certificates of Participation bond issue, the 2006 Koch Plaza TIF project bond issue and the 2010 capital lease for golf carts.

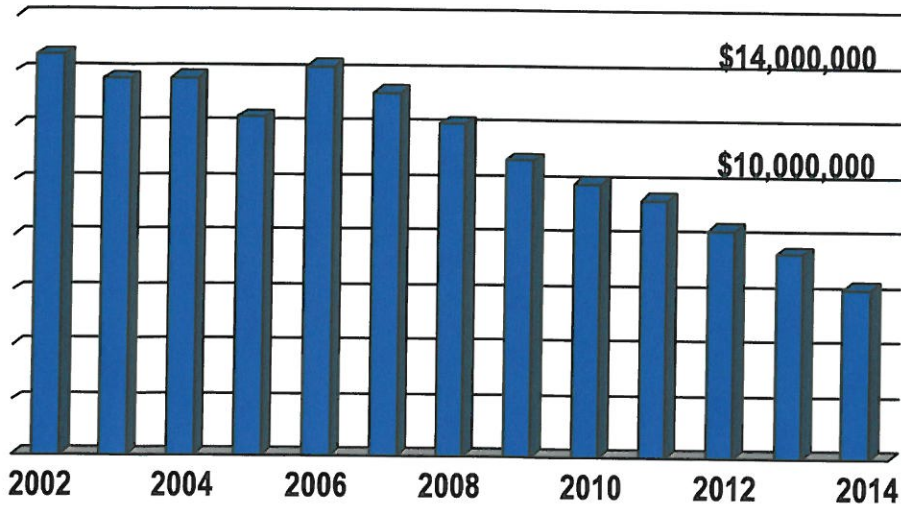
Culture & Recreation: 21.9%

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

Capital Assets, Net of Depreciation

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Land	4,686,268	4,686,268	4,686,268
Construction in Progress	519,537	984,198	132,470
Buildings	4,538,568	4,400,032	4,365,302
Improvements	8,877,164	9,052,007	9,771,040
Infrastructure	41,969,635	40,676,466	39,492,266
Vehicles & Equipment	<u>2,970,430</u>	<u>3,479,404</u>	<u>3,626,303</u>
Total Capital Assets	63,561,602	63,278,375	62,073,649

*Information taken from the Statement of Activities



Long-term Debt 2014	
COPS	\$5,027,454
TIF Bonds	100,000
Capital Lease	0
Absences	1,049,182
Total Debt	\$6,176,636

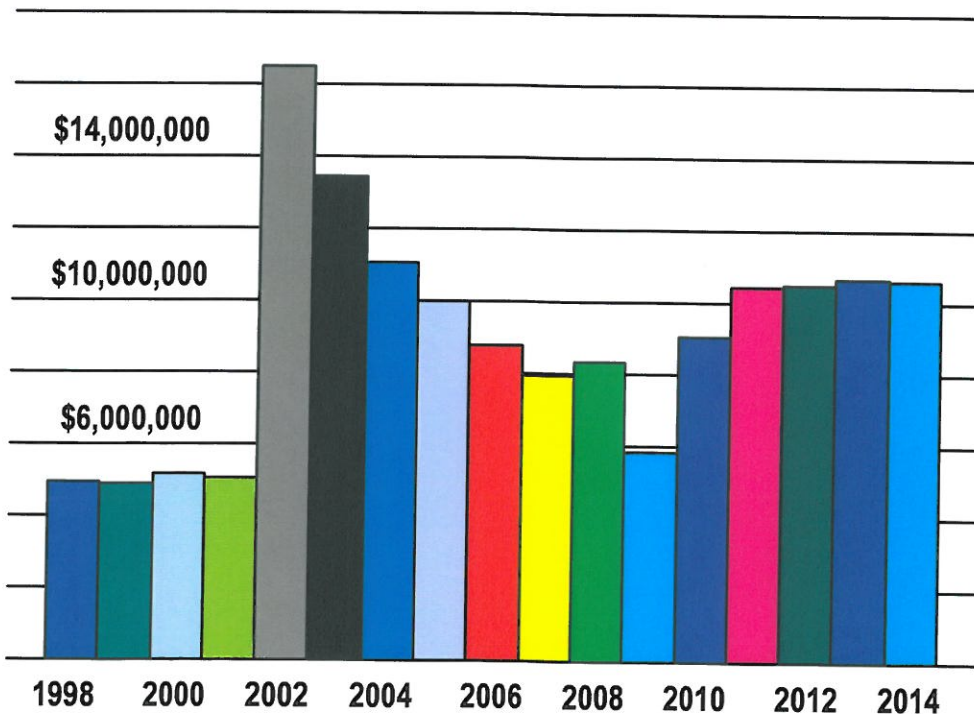
COPS: 2011 Certificates of Participation - Issued to refinance the 2002 COPS at lower interest rates and to renovate HVAC systems in various city buildings. Debt matures in 2022.

TIF Bonds: 2006 Tax Increment Financing - 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.

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

Capital Lease: Golf cart lease - Lease arrangement used to acquire a golf cart fleet. The capital lease was terminated in 2014.

General Fund Unassigned Fund Balance



Municipal Court
Traffic fines and court costs as a percent of general operating revenue was 9.5%.

This is well below the 30% threshold stipulated in RSMo 302.341.2.

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

The 2014 unassigned general fund balance is \$10,588,366.

2014 Discussion and Analysis

2014 was a particularly difficult year for the St. Louis area in general and North County in particular. The year was progressing uneventfully when on August 9th a City of Ferguson police officer became involved in an altercation with Ferguson resident Michael Brown. The altercation escalated until the Ferguson police officer ultimately shot Mr. Brown to death. This incident generated intense episodes of civic disturbance, violence and looting for the Ferguson area in particular as well as spillover throughout the entire metropolitan St. Louis area.

The City of Florissant, an immediate neighbor to the north of the City of Ferguson, has not been immune from the repercussions resulting from this incident. The City has supplied police officers, material and equipment to assist the City of Ferguson and St. Louis County in their efforts to maintain the safety and security of residents countywide. In that support role the City incurred extensive damage to a number of police cars and related equipment. An additional \$99,200 in overtime wages and benefits was added to the police budget with a similar amount expected to be added during the 2015 fiscal year to deal with the run up to and the evening of looting and violence following the St. Louis County Grand Jury's decision on November 24th not to indict Ferguson police officer Darren Wilson for the shooting death of Mr. Brown.

The City has been very fortunate that only one police officer has been injured through all of the episodes of violence and disorder. On the evening of December 24th a crowd gathered to agitate over a robbery and police shooting at a gas station in the City of Berkeley, a small city with a population of 8,978 just to the south of the City of Florissant. A City of Florissant police officer suffered a knee injury while assisting the City of Berkeley in their efforts to control that explosive situation.

In spite of the turmoil late in the year, the General Fund sales tax, which has a budget of \$7,100,000 and represents 31% of the General Fund revenue budget, finished the year with revenue of \$7,824,297. This was up 8.9% or \$638,080 from 2013. The Capital Improvement Sales Tax had receipts of \$3,356,500 which was up 4.0% or \$127,960 and the Park Improvement Sales Tax had receipts of \$3,141,740 which was up 3.4% or \$102,908.

The City's 2014 combined assessed value for real estate and personal property was \$541,245,356, which was up \$1,138,869 or 0.2% from 2013. 2014 was not a re-assessment year so very little change was expected. The assessed value of real estate continues to be a major concern. Real estate assessed values peaked in 2007 at \$579,872,410 and since that time have declined \$131,088,840 or 22.6% to \$448,783,570. The City does not levy a property tax so there is no direct revenue gain or loss to the City resulting from changes in assessed value.

On July 14, 2014 the City Council adopted ordinance #8059 which established a new pay plan for all full-time City employees as well as providing for an immediate 1% wage increase. This ordinance established a plan that includes a pay schedule with 14 grades and 15 steps within each grade.

The City continues to aggressively pursue redevelopment opportunities throughout the City. The most significant development is a *Wal-Mart* which is under construction near the intersection of North Hwy 67 and New Halls Ferry Road and is scheduled to open in the fall of 2015.

This discussion and analysis was taken from the *Management's Discussion and Analysis (MD&A)* located in the front of the audited financial report. Further information on the topics highlighted above, as well as additional information, can be found in the MD&A.