



# Quarterly Financial Report

## City of Florissant, Missouri

### Third Quarter Ended August 31, 2013

### September 25, 2013

#### OVERVIEW

Three quarters of the 2013 fiscal year is now complete. The good news is that revenue is exceeding budget estimates for all funds. The general fund is ahead of budget estimates by \$338,925, the capital improvement sales tax is ahead of the budget estimate by \$106,377 and the park improvement sales tax is ahead of the budget estimate by \$118,369. The bad news is that the good news is the result of conservative budget estimates and not the result of improved performance from any particular revenue source.

When compared to actual revenue for the third quarter of the previous fiscal year the general fund is down \$432,803 or 2.4%. A large portion of this drop is the result of the completion last October of distributions from the settlement with the Missouri Department of Revenue for their failure to properly adjust the city's population for a number of annexations. At this time last year the city had received \$304,908 from the settlement. Police forfeiture funds, which are unpredictable, are down \$96,886 when compared to last year.

Interest rates continue to remain at historic lows. Back in the day the city could earn between \$400,000 and \$500,000 in interest during the course of a typical year. The current budget for interest income is \$20,000 and it's unlikely that the city will meet even this modest goal.

#### GENERAL FUND

**GASOLINE TAX** includes the motor vehicle fuel tax (gas tax) and the motor vehicle fee increases (fee increases) which are both collected and distributed by the Missouri Department of Revenue based on the city's population as a percent of a statewide pooled population.

Compared to the third quarter of 2012, gasoline tax revenue is down \$27,189 or 2.3%. In anticipation of decreasing revenue the budget was reduced from \$1,625,000 to \$1,550,000 for this year's budget, a reduction of \$75,000. It appears that the budget was not reduced enough. The prorated budget for the gasoline tax at the third quarter is \$1,155,000 and actual receipts are \$8,957 short of this goal. If gasoline tax receipts continues at the pace they are on total collections will end up very close to \$1,525,000 which would be \$25,000 less than the budget.

#### Gasoline Tax:

Year	2008	2009	2010	2011	2012	2013
Actual	1,241,381	1,211,014	1,302,027	1,290,332	1,173,233	1,146,043
Budget	1,312,000	1,294,000	1,183,000	1,295,000	1,217,000	1,155,000
(+)/(-) Prior	-71,100	-30,367	91,013	-11,695	-117,099	-27,190
(+)/(-) Budget	-70,619	-82,986	119,027	-4,668	-43,767	-8,957

**UTILITY TAX** represents the license tax on electric, gas (heating), telephone (landline and cell), and water utilities. The current rate assessed on utilities is 7%.

Utility tax is performing well this year. Compared to the third quarter of 2012, combined utility tax receipts are up \$194,066 or 4.4%. For the year electric is up 5.1% or \$89,958, gas is up

11.6% or \$129,844, telephone receipts are down 6.8% or \$89,997, and water is up 25.6% or \$64,261. Water receipts are somewhat deceptive as September receipts will put water receipts below those from last year.

The 2012 budget was structured very conservatively to provide room for a fall off in utility tax revenues, reflecting a budget of \$6,100,000 as compared to actual receipts of \$6,291,224 in 2012. When compared to the budget numbers, utility tax receipts are \$280,008 ahead of projections. If utility tax receipts continue at the pace they are on total collections will end up somewhere above \$6,400,000 which is very good.

Utility Tax:

Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Actual	2,876,949	3,153,465	4,124,825	4,726,140	4,460,942	4,655,008
Budget	2,906,000	3,365,000	4,550,000	4,375,000	4,375,000	4,375,000
(+)/(-) Prior	341,075	276,516	971,360	601,315	-265,198	194,066
(+)/(-) Budget	-29,051	-211,535	-425,175	351,140	85,942	280,008

**ROAD AND BRIDGE TAX** represents the city's portion of the countywide 10.5 cent property tax. Receipts are tied closely to the city's assessed value which has been in decline since 2007 when it peaked at \$684,127,277. Assessed value increased by 17.4% in 2005 and 19.2% in 2007. Current assessed value is \$540,106,487, a drop of 21.1% since 2007. Actual revenue reached \$700,642 in 2008 but since that time has been in decline, sinking to \$579,749 in 2012.

Through the third quarter 2013 is performing pretty much as expected with revenue of \$574,194. The bulk of distributions are in so, barring anything out of the ordinary, revenue is expected to finish \$5,000 to \$10,000 ahead of the budget of \$575,000.

Road and Bridge Tax:

Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Actual	656,490	656,131	624,136	626,584	568,870	574,194
Budget	545,000	654,000	616,000	614,000	594,000	566,000
(+)/(-) Prior	111,402	-359	-31,995	2,448	-57,714	5,324
(+)/(-) Budget	111,490	2,131	8,136	12,584	-25,130	8,194

**SALES TAX** represents revenue from two sources, the 1% countywide sales tax and the state-wide motor vehicle sales tax. Both revenues are pooled and distributed based on the city's population as a percent of their respective pool populations.

Sales tax receipts to date are \$5,162,331 which is up \$112,701 or 2.2% from last year. This is actually pretty encouraging as sales tax receipts have not reached this level for the third quarter since 2008 when third quarter revenue was \$5,372,442. The 2013 budget was crafted to reflect zero growth in sales tax as there was no reason to believe that the economic situation or spending patterns would change in such a manner that would produce any appreciable increase in sales tax collections.

Sales tax revenue is \$132,331 ahead of the prorated budget of \$5,030,000. Barring any unforeseen change in fortunes, sales tax is on track to finish between \$7,100,000 and \$7,200,000 which will exceed the budget goal of \$7,000,000.

**Sales Tax:**

Year	2008	2009	2010	2011	2012	2013
Actual	5,372,442	4,915,342	4,821,868	5,048,709	5,049,630	5,162,331
Budget	5,224,000	5,224,000	4,970,000	4,740,000	4,735,000	5,030,000
(+)/(-) Prior	47,073	-457,100	-93,474	226,841	921	112,701
(+)/(-) Budget	148,442	-308,658	-148,132	308,709	314,630	132,331

**TOTAL GENERAL FUND REVENUE** is down 2.4% or \$432,803 from 2012. Six revenue sources combine to account for \$951,155 of this decline. These sources include the golf course which is down \$115,342. Interestingly, golf course revenue is nearly identical to 2011 receipts. Gasoline tax is down \$27,190. Building permits are down \$82,554. This year there have not been any building permits in excess of \$5,000 while last year there were nine. Combined parks revenue is down \$122,803. This is a result of league fees being down \$14,878, field rental is down \$6,015, fitness center passes are down \$6,441, outdoor pools are down \$46,388, concessions are down \$29,371, and theater receipts are down \$18,210. Municipal court receipts are down \$123,310. Other miscellaneous revenue is down \$479,956 due to a drop off in police forfeiture money of \$96,886 and the lack of the DOR settlement money in the amount of \$304,908.

Four revenue sources combined to increase by \$481,936. These include sales tax which is up \$112,701, utility tax is up \$194,066, business licenses are up \$26,850, and grant revenue is up \$148,319 due to the receipt of an energy grant of \$146,368.

When we compare the revenue numbers to the budget projections the overall picture looks much better. General fund revenue is \$338,925 ahead of the projected budget. If this number holds the city is on track to exceed the 2013 general fund revenue budget by just under 1.5%.

**Total General Fund Revenue:**

Year	2008	2009	2010	2011	2012	2013
Actual	17,254,576	14,731,689	17,561,074	18,979,857	18,077,798	17,644,995
Budget	16,240,000	16,900,000	16,872,200	18,168,703	17,412,593	17,306,070
(+)/(-) Prior	1,415,761	-2,522,887	2,829,385	1,418,783	-902,059	-432,803
(+)/(-) Budget	1,014,576	-2,168,311	688,874	811,154	665,205	338,925

**CAPITAL IMPROVEMENT FUND**

**CAPITAL IMPROVEMENT SALES TAX** represents revenue from the ½% capital improvement local option sales tax. The city is in a pool for the distribution of this sales tax which is based on the city's population as a percent of the pool population.

Actual revenue is up 2.4% or \$55,989. When compared to the prorated budget, the picture looks even better with revenue \$106,377 ahead of projections. Given the volatility of sales tax receipts this situation could change very rapidly but as of the third quarter it appears that revenue is on track to exceed the budget of \$3,100,000.

½% Capital Improvement Sales Tax:

Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Actual	2,425,093	2,311,207	2,256,729	2,355,025	2,350,388	2,406,377
Budget	2,593,000	2,408,000	2,260,000	2,215,000	2,185,000	2,300,000
(+)/(-) Prior	-8,844	-113,886	-54,478	98,296	-4,637	55,989
(+)/(-) Budget	-167,907	-96,793	-3,271	140,025	165,388	106,377

**PARK IMPROVEMENT FUND**

**PARK IMPROVEMENT SALES TAX** represents revenue from the ½% park improvement local option sales tax. It is the only point-of-sale sales tax levied and received by the city. This means it is distributed back to the city based on sales occurring within the corporate limits of the city and is not shared with any other entity.

Actual revenue is up 1.8% or \$40,234. When compared to the prorated budget, the situation is very similar to that of the Capital Improvement Sales Tax with revenue \$118,369 ahead of the prorated budget. Revenue is on track to exceed the budget of \$2,900,000.

½% Park Sales Tax:

Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Actual	2,316,162	2,252,410	2,145,971	2,225,112	2,248,135	2,288,369
Budget	2,301,000	2,301,000	2,190,000	2,130,000	2,075,000	2,170,000
(+)/(-) Prior	750,234	-63,752	-106,439	79,141	23,023	40,234
(+)/(-) Budget	15,162	-48,590	-44,029	95,112	173,135	118,369

**CONSUMMATUM EST**

Information presented in this quarterly financial report is derived from the *Statement of Cash Receipts and Disbursements*, more commonly known as the monthly operating report, for the period ending August 31, 2013. Editorial comments, judgments and opinions expressed in this report are those of the Director of Finance and are intended solely to provide a financial update to the Mayor, City Council, residents of the City of Florissant, and any other interested parties. Any other use of this report or of any pictures, descriptions or accounts of this report, without prior written consent, is prohibited.

Questions concerning any of the information contained in this quarterly financial report or in the monthly operating reports should be addressed to the Director of Finance, 955 rue St. Francois, Florissant, Missouri 63031. Copies of the *Statement of Cash Receipts and Disbursements* may be found on the city's web site at [www.florissantmo.com](http://www.florissantmo.com).

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