



Quarterly Financial Report

City of Florissant, Missouri

Third Quarter Ended August 31, 2014

September 23, 2014

OVERVIEW

Three quarters of the 2014 fiscal year is now complete. If the overall the revenue picture was viewed as a work of art, then at this point in the fiscal year it would be considered a Rembrandt. General fund revenue is doing exceptionally well, \$732,070 ahead of where we were at this point in 2013. The general fund sales tax is having a remarkable year, up \$530,931 or 10.3% over last year. Both the capital improvement and park improvement sales taxes are also performing very well. The capital improvement sales tax is up \$82,134 or 3.4% and the park improvement sales tax is up \$77,012 or 3.4%. The capital improvement sales tax is \$178,511 ahead of budget projections and the park improvement sales tax is \$165,381 ahead of budget projections.

As always, there are some drags to revenue growth but overall the year is shaping up very nicely.

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 2013, gasoline tax revenue is up \$15,040 or 1.3%. In anticipation of a continuing decline in revenue the budget was reduced from \$1,550,000 to \$1,525,000 for this years budget, a reduction of \$25,000. The prorated budget for the gasoline tax at the third quarter is \$1,140,000 and actual receipts are \$21,083 ahead of this goal. If gasoline tax receipts continues at the pace they are on total collections will end up in the neighborhood of \$1,550,000 which would be \$25,000 over the budget.

Gasoline Tax:

Year	2009	2010	2011	2012	2013	2014
Actual	1,211,014	1,302,027	1,290,332	1,173,233	1,146,043	1,161,083
Budget	1,294,000	1,183,000	1,295,000	1,217,000	1,155,000	1,140,000
(+)/(-) Prior	-30,367	91,013	-11,695	-117,099	-27,190	15,040
(+)/(-) Budget	-82,986	119,027	-4,668	-43,767	-8,957	21,083

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 2013, combined utility tax receipts are up \$99,353 or 2.1%. The 2014 budget was structured to allow for an increase \$100,000 or 1.6%. For the year electric is up 4.1% or \$75,806, gas is up 6.4% or \$79,863, telephone receipts continue to drop and are down 8.1% or \$100,369, and water is up

14.0% or \$44,054. The prorated budget for the utility tax at the third quarter is \$4,570,000 and actual receipts are \$184,361 ahead of this target.

Utility Tax:

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actual	3,153,465	4,124,825	4,726,140	4,460,942	4,655,008	4,754,361
Budget	3,365,000	4,550,000	4,375,000	4,375,000	4,375,000	4,570,000
(+)/(-) Prior	276,516	971,360	601,315	-265,198	194,066	99,353
(+)/(-) Budget	-211,535	-425,175	351,140	85,942	280,008	184,361

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 \$541,245,356, a drop of 20.9% since 2007. Actual revenue reached \$700,642 in 2008 but since that time has been in decline, sinking to \$579,749 in 2012.

Receipts through the third quarter 2014 are performing pretty much as expected with revenue of \$539,975. The bulk of distributions are in so, barring anything out of the ordinary, revenue is expected to finish at \$550,000, \$25,000 under the budget of \$575,000.

Road and Bridge Tax:

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actual	656,131	624,136	626,584	568,870	574,194	539,975
Budget	654,000	616,000	614,000	594,000	566,000	581,500
(+)/(-) Prior	-359	-31,995	2,448	-57,714	5,324	-34,219
(+)/(-) Budget	2,131	8,136	12,584	-25,130	8,194	-41,525

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 \$5,693,262 which is up \$530,931 or 10.3% from last year. This is very encouraging as this total exceeds the previous high for third quarter sales tax receipts of \$5,372,442 reached in 2008. The 2014 budget was crafted to reflect minimal growth in sales tax of \$100,000 or 1.4% which reflected the tremendous uncertainty in the overall economy.

Sales tax revenue is \$598,262 ahead of the prorated budget of \$5,095,000. Barring any unforeseen change in direction, sales tax is on track to finish at \$7,550,000 which would exceed the previous best of \$7,412,652 received in 2008.

Sales Tax:

Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actual	4,915,342	4,821,868	5,048,709	5,049,630	5,162,331	5,693,262
Budget	5,224,000	4,970,000	4,740,000	4,735,000	5,030,000	5,095,000
(+)/(-) Prior	-457,100	-93,474	226,841	921	112,701	530,931
(+)/(-) Budget	-308,658	-148,132	308,709	314,630	132,331	598,262

TOTAL GENERAL FUND REVENUE is up 4.2% or \$732,070 from 2013. Five revenue sources combine to account for \$962,695 of this increase. These sources include the sales tax which is up \$530,931, utility tax is up \$99,353, building permits are up \$232,306, other revenue is up \$58,560, and cable TV is up \$41,545. Three revenue sources serve to offset the increase of the above five sources and combined are down \$327,752. These include the road and bridge tax which is down \$34,219, court revenue is down \$193,749 and grant revenue is down \$99,785. Combined parks and recreation revenue is down \$21,609. The two outdoor pools are down a total of \$18,648 which accounts for the majority of the park decrease. The decline in grant revenue is due to the irregular nature of grants.

When we compare the revenue numbers to budget projections for the third quarter the overall picture looks even better. General fund revenue is \$989,616 ahead of the projected budget.

Total General Fund Revenue:

Year	2009	2010	2011	2012	2013	2014
Actual	14,731,689	17,561,074	18,979,857	18,077,798	17,644,995	18,377,066
Budget	16,900,000	16,872,200	18,168,703	17,412,593	17,306,070	17,387,450
(+)/(-) Prior	-2,522,887	2,829,385	1,418,783	-902,059	-432,803	732,071
(+)/(-) Budget	-2,168,311	688,874	811,154	665,205	338,925	989,616

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 3.4% or \$82,134 which is very good. When compared to the prorated budget, the picture looks even better with revenue \$178,511 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 by \$200,000.

½% Capital Improvement Sales Tax:

Year	2009	2010	2011	2012	2013	2014
Actual	2,311,207	2,256,729	2,355,025	2,350,388	2,406,377	2,488,511
Budget	2,408,000	2,260,000	2,215,000	2,185,000	2,300,000	2,310,000
(+)/(-) Prior	-113,886	-54,478	98,296	-4,637	55,989	82,134
(+)/(-) Budget	-96,793	-3,271	140,025	165,388	106,377	178,511

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 \$77,012 or 3.4%. When compared to the prorated budget, the situation is very similar to that of the Capital Improvement Sales Tax with revenue \$165,381 ahead of the prorated budget. Revenue is on track to exceed the budget of \$2,950,000 by \$117,000.

½% Park Sales Tax:

Year	2009	2010	2011	2012	2013	2014
Actual	2,252,410	2,145,971	2,225,112	2,248,135	2,288,369	2,365,381
Budget	2,301,000	2,190,000	2,130,000	2,075,000	2,170,000	2,200,000
(+)/(-) Prior	-63,752	-106,439	79,141	23,023	40,234	77,012
(+)/(-) Budget	-48,590	-44,029	95,112	173,135	118,369	165,381

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, 2014. 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.

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