



## Quarterly Financial Report

City of Florissant, Missouri

Fourth Quarter Ended November 30, 2011

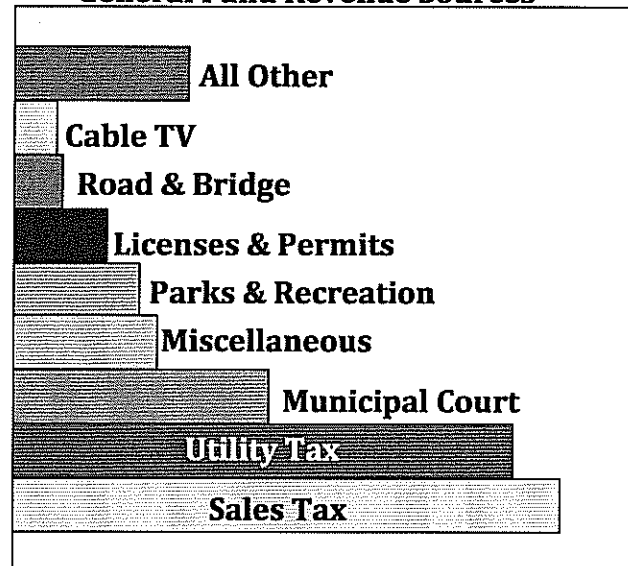
December 13, 2011

### Overview

Despite tremendous economic uncertainties, 2011 will go down as a good year financially for the city. Total general fund revenue exceeded the \$23,654,328 budget by \$1,320,523 or 5.6%. Expenditures were \$1,469,359 or 6.1% under the \$24,094,576 expenditure budget. General fund reserves will increase going into the 2012 fiscal year. This sets the city up nicely to begin the next decade with a health reserve. Beginning in 2012 distributions from the countywide sales tax, capital improvement sales tax, motor vehicle sales tax, motor vehicle fuel tax, and the motor vehicle fee increases will all go down due to the drop in the city's population. This reduction in revenue will persist for the next ten years.

The biggest contributors to the positive revenue results in the general fund include the sales tax, utility tax, municipal court, miscellaneous revenue, and cable TV. These five sources combined to exceed their budgets by \$1,844,507. Poor performers include the parks and the golf course, businesses licenses, building permits, and other permits which combined to finish \$225,191 under their budgets. Fortunately the winners exceed the losers by a wide margin. The poor performers show that residents are being more judicious with discretionary income which is to be expected in this economy.

**General Fund Revenue Sources**



The General Fund was the beneficiary of two significant one-time revenue collections in 2011. The first was a settlement reached with T-Mobile concerning payment of past years utility license tax liability. This settlement netted the city \$601,485. In addition, T-Mobile agreed to collect and remit monthly utility license tax payments going forward.

The second was twelve distributions of \$33,878.71 each for a total of \$406,544.52 from the settlement reached with the Missouri Department of Revenue for their failure to properly remit certain taxes based on the city's increased population resulting from a number of annexations. The final ten payments from this settlement will be received in 2012.

The capital improvement sales tax also finished strong, exceeding the \$3,000,000 budget by \$163,088. Grant revenue finished \$538,176 short of the \$1,360,000 budget due to the bid for Phase II of the North Highway 67 Corridor Enhancement Project coming in substantially lower than the \$1,700,000 budgeted for this grant project. The lower project cost decreased the amount of grant reimbursements.

The park sales tax exceeded its \$2,850,000 budget by \$115,574. Grant revenue exceeded the \$7,200 budget by \$402,901 due to the timing of grant revenue received from projects budgeted in prior years. Expenditures were \$238,921 or 8.4% less than the \$2,856,030 budget. These results should allow the park fund to reestablish a reasonable reserve.

**General Fund**

**Gasoline Tax:**

Year	2006	2007	2008	2009	2010	2011
Actual	1,790,601	1,748,095	1,658,253	1,652,297	1,757,886	1,729,523
Budget	1,775,000	1,750,000	1,775,000	1,750,000	1,600,000	1,750,000
(+)/(-) Prior	54,296	-42,506	-89,842	-5,956	105,589	-28,363
(+)/(-) Budget	15,601	-1,905	-116,747	-97,703	157,886	-20,477

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 Department of Revenue. The gas tax was short of the \$1,500,000 budget by \$5,858. Fee increases were short of the \$250,000 budget by \$14,619. Combined, gasoline tax was short of the \$1,750,000 budget by \$20,477. Compared to 2010, revenue was down \$28,363. However, it must be noted that gasoline tax receipts were up substantially in 2010 after having declined each year since 2007. As a result, 2011 revenue may be down from 2010 but, in the context a longer term revenue pattern, the results are encouraging.

**Utility Tax:**

Year	2006	2007	2008	2009	2010	2011
Actual	3,259,955	3,405,790	3,825,458	4,119,805	5,729,070	6,467,222
Budget	3,000,000	3,250,000	3,800,000	4,400,000	5,950,000	5,700,000
(+)/(-) Prior	176,183	145,835	419,668	294,347	1,609,265	738,152
(+)/(-) Budget	259,955	155,790	25,458	-280,195	-220,930	767,222

Utility tax receipts finished very strong, exceeding the \$5,700,000 budget by \$767,222 and exceeding 2010 revenue by \$738,152. As expected, due to the extremely hot summer, electric finished very strong, exceeding the \$2,100,000 budget by \$522,522 and exceeding 2010 results by \$351,002. Gas was \$17,789 short of the \$1,550,000 budget but still managed to exceed the 2010 total by \$91,575. Telephone exceeded the \$1,700,000 budget by \$138,755 and finished \$211,095 higher than 2010 receipts. Water exceeded the \$350,000 budget by \$123,734.

In all fairness, it must be noted that receipts for the first two months of 2010 were collected at a 5% rate compared to a 7% rate for all of 2011 which throws off the comparisons somewhat. However, even if an adjustment were allowed for those two months, the utility tax would still be up significantly over the prior year.

Road and Bridge Tax:

Year	2006	2007	2008	2009	2010	2011
Actual	584,407	590,309	700,642	671,981	635,055	637,905
Budget	480,000	500,000	575,000	690,000	650,000	625,000
(+)/(-) Prior	73,925	5,902	110,333	-28,661	-36,926	2,850
(+)/(-) Budget	104,407	90,309	125,642	-18,019	-14,945	12,905

The road and bridge tax represents a portion of the countywide 10.5 cent property tax received by the city. Receipts are tied closely to the city's assessed value which has declined over the past several years due to home values falling precipitously. Revenue finished \$12,905 ahead of the \$625,000 budget and \$2,850 ahead of last year.

Sales Tax:

Year	2006	2007	2008	2009	2010	2011
Actual	7,183,906	7,439,343	7,412,652	6,787,316	6,705,743	7,084,234
Budget	7,250,000	7,450,000	7,500,000	7,500,000	6,900,000	6,600,000
(+)/(-) Prior	-21,735	255,437	-26,691	-625,336	-81,573	378,491
(+)/(-) Budget	-66,094	-10,657	-87,348	-712,684	-194,257	484,234

Sales tax is received from two sources, the countywide 1% sales tax and the statewide motor vehicle sales tax. 2011 results were excellent with revenue exceeding the \$6,600,000 budget by \$484,234. Total receipts broke the \$7 million barrier at \$7,084,234 which, when compared to the prior year, was an increase of \$378,491 or 5.6%. This is the first time since 2007 that sales tax receipts increased over the prior year.

General Fund Revenue:

Year	2006	2007	2008	2009	2010	2011
Actual	19,424,567	20,945,437	22,044,063	19,918,698	23,360,798	24,974,851
Budget	18,289,500	19,817,000	21,123,000	21,983,000	22,399,483	23,654,328
(+)/(-) Prior	1,365,562	1,520,870	1,098,626	-2,125,365	3,442,100	1,614,053
(+)/(-) Budget	1,135,067	1,128,437	921,063	-2,064,302	961,315	1,320,523

Overall, combined general fund revenue finished very strong. Total revenue exceeded the \$23,654,328 budget by \$1,320,523 or 5.6%. When compared to 2010, revenue increased by \$1,614,053 or 6.9%. However, tempering this just a bit, it must be noted that these totals include the one time distributions of \$601,485 from T-Mobile and \$406,545 from the Department of Revenue for a total of \$1,008,030. Without the one-time money, 2011 revenue would have exceeded the prior year by \$606,023 and the budget by \$312,493 which is still good. Given all the economic difficulties facing the city and the implementation of the 2010 census numbers, these results are very encouraging and serve to place the city in an excellent position as it moves into the next decade.

### Capital Improvement Fund

#### ½% Capital Improvement Sales Tax:

Year	2006	2007	2008	2009	2010	2011
Actual	3,082,835	3,326,271	3,263,832	3,107,183	3,034,176	3,163,088
Budget	3,100,000	3,025,000	3,500,000	3,250,000	3,050,000	3,000,000
(+)/(-) Prior	23,286	243,436	-62,439	-156,649	-73,007	128,912
(+)/(-) Budget	-17,165	301,271	-236,168	-142,817	-15,824	163,088

Capital improvement sales tax, after an up and down start, finished very strong. Total revenue exceeded the \$3,000,000 budget by \$163,088. 2011 marks the first year since 2007 that sales tax receipts increased over the previous year. When compared to 2010, sales tax receipts increased by \$128,912 or 4.3%. There is still a ways to go to reach the peak of \$3,326,271 reached in 2007 but, at least for the time being, sales tax is moving in the right direction.

### Park Improvement Fund

#### ½% Park Sales Tax:

Year	2006	2007	2008	2009	2010	2011
Actual	1,630,584	2,405,472	3,101,809	3,020,844	2,854,608	2,965,574
Budget	1,600,000	1,600,000	3,100,000	3,100,000	2,950,000	2,850,000
(+)/(-) Prior	9,113	774,888	696,337	-80,965	-166,236	110,966
(+)/(-) Budget	30,584	805,472	1,809	-79,156	-95,392	115,574

The park improvement sales tax is the only point-of-sale city sales tax. 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 city. All other sales taxes are distributed from pools based on the city's population in the pool.

The park sales tax exhibited similar results to that of the general sales tax and the capital improvement sales tax. The \$2,850,000 budget was exceeded by \$115,574. Receipts exceeded the prior year by \$110,966 or 3.9%.

All numbers presented above are derived from the *Statement of Cash Receipts and Disbursements* for the period ending November 30, 2011 and have not been audited. The annual audited Finance Report for the year ended November 30, 2011 will serve as the final and official financial report.

*R. J. McDaniel*

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