



Quarterly Financial Report

City of Florissant, Missouri

First Quarter Ended February 29, 2012

March 15, 2012

OVERVIEW

December got the year off to a reasonably good start. Total general revenue was down just slightly from the prior year at \$35,442. General fund sales tax was up \$116,488, capital improvement sales tax was up \$43,022 and park improvement sales tax was up \$40,969.

The overall picture for January was mixed. Total general revenue was down \$422,117 from the prior year. All the sales taxes continued to show positive growth with the general sales tax up \$157,100, the capital improvement sales tax up \$69,200 and the park improvement sales tax up \$82,545. When making comparisons, it must be noted that in January 2010 the city received the T-Mobile settlement in the amount of \$601,485. When this one-time receipt is adjusted out of last years total, general revenue was \$179,368 ahead of last year.

Unfortunately the situation changed dramatically in February. Sales tax was down significantly across-the-board. General sales tax for the month was down \$185,691 or 32.6% and for the quarter was now down \$28,591 or 1.7%. The capital improvement sales tax showed similar results with the month being down \$93,519 or 33.5% with the quarter now down \$24,319 or 3.1%. Worst of all was the park sales tax which was down \$132,998 or 49.1% for the month and down \$50,453 or 6.7% for the quarter. Typically this type of up and down pattern is due to the timing of payments from retailers to the Department of Revenue and, unless there is something else going on, should be self correcting in March.

Utility tax for the quarter was down \$104,731 or 6.7% from last year. This primarily comes from gas and telephone receipts which are down \$81,498 and \$53,448 respectively. Electric is up slightly at \$12,798. However, on a budget basis, utility tax is \$47,712 ahead of budget projections.

The picture brightens somewhat when we look at the budget projections rather than comparing to last years revenue numbers. For the first quarter general fund revenue is \$142,519 ahead of projections, the capital improvement fund is \$27,343 ahead of projections while the park fund is \$18,556 under projections. In summary, for the first quarter revenues are exceeding budget expectations in both the general and capital improvement funds while the park fund is lagging just slightly.

These numbers are very green and could change considerably as we move into the second quarter. The recent dramatic increase in gasoline fuel prices does not bode well for the economic situation. Typically, such spikes in fuel costs will increase commodity prices which will in turn impact consumer spending decisions as more and more discretionary income must go towards basic necessities.

GENERAL FUND

Gasoline Tax:

| Year | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------|---------|---------|---------|---------|---------|---------|
| Actual | 433,628 | 415,625 | 400,927 | 434,236 | 439,931 | 399,528 |
| Budget | 433,000 | 439,000 | 433,000 | 396,000 | 435,000 | 415,000 |
| (+)/(-) Prior | -1,661 | -18,003 | -14,698 | 33,309 | 5,695 | -40,403 |
| (+)/(-) Budget | 628 | -23,375 | -32,073 | 38,236 | 4,931 | -15,472 |

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. Gasoline tax was short of the \$415,000 prorated budget by \$15,472. Compared to 2011, revenue was down \$40,403 or 9.2%. This is not an auspicious beginning to the year, particularly with the dramatic increase in gasoline prices which we are currently experiencing.

Utility Tax:

| Year | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------|---------|---------|-----------|-----------|-----------|-----------|
| Actual | 909,892 | 891,380 | 1,059,366 | 1,172,966 | 1,557,443 | 1,452,712 |
| Budget | 780,000 | 912,000 | 1,056,000 | 1,428,000 | 1,495,000 | 1,405,000 |
| (+)/(-) Prior | -27,013 | -18,512 | 167,986 | 113,600 | 384,477 | -104,731 |
| (+)/(-) Budget | 129,892 | -20,620 | 3,366 | -255,034 | 62,443 | 47,712 |

Utility tax receipts finished reasonably well, exceeding the projected budget forecast by \$47,712. Compared to 2011 however, revenue was down \$104,731 or 6.7%. This winter has been very mild which has led directly to a soft demand for gas for heating. This was confirmed with gas receipts down \$81,498 or 14.9% from last year. Electric held it's own finishing \$12,798 ahead of last year.

Road and Bridge Tax:

| Year | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------|---------|---------|---------|---------|---------|---------|
| Actual | 501,022 | 561,823 | 569,589 | 561,331 | 556,828 | 513,955 |
| Budget | 425,000 | 489,000 | 587,000 | 553,000 | 547,500 | 537,500 |
| (+)/(-) Prior | 30,826 | 60,801 | 7,766 | -8,258 | -4,503 | -42,873 |
| (+)/(-) Budget | 76,022 | 72,823 | -17,411 | 8,331 | 9,328 | -23,545 |

The 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 declined over the past several years due to a dramatic drop in home values. 2012 is off to a rough start. Revenue is \$23,545 under the projected budget and \$42,873 less than at this point last year. The city may not be able to make up this difference through the balance of the year. One last good sized distribution remains which is typically made in April. We will have to see how that distribution goes. Notwithstanding the April distribution, the bulk of the road and bridge tax has been received.

Sales Tax:

| Year | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actual | 1,760,267 | 1,751,345 | 1,640,719 | 1,586,652 | 1,668,120 | 1,639,529 |
| Budget | 1,915,000 | 1,928,000 | 1,928,000 | 1,635,000 | 1,550,000 | 1,605,000 |
| (+)/(-) Prior | -10,692 | -8,922 | -110,626 | -54,067 | 81,468 | -28,591 |
| (+)/(-) Budget | -154,733 | -176,655 | -287,281 | -48,348 | 118,120 | 34,529 |

Sales tax is received from two sources, the countywide 1% sales tax and the statewide motor vehicle sales tax. For the quarter, revenue was \$34,529 ahead of the prorated budget of \$1,605,000. Compared to 2011, revenue was \$28,591 or 1.7% less than this same time last year. The 1% general sales tax is down \$28,581 or 1.8% and the motor vehicle sales tax is down \$10. These results are better than 2010 but are still down considerably from 2007 and 2008.

Total General Fund Revenue:

| Year | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actual | 5,830,338 | 5,991,826 | 5,622,661 | 6,439,567 | 7,175,325 | 6,227,156 |
| Budget | 5,766,000 | 6,146,000 | 6,396,000 | 6,333,500 | 6,964,389 | 6,084,637 |
| (+)/(-) Prior | 418,860 | 161,488 | -369,165 | 816,906 | 735,758 | -948,169 |
| (+)/(-) Budget | 64,338 | -154,174 | -773,339 | 106,067 | 210,936 | 142,519 |

Overall, combined general fund revenue finished reasonably well. Total revenue exceeded the \$6,084,637 prorated budget by \$142,519 or 2.3%. When compared to 2011, revenue was down \$948,169 or 13.2%. Included in last years total was \$601,485 from the T-Mobile settlement. When this one time money is adjusted out, revenue is down \$346,684 or 5.3%.

Given all the economic difficulties facing the city combined with the implementation of the 2010 census numbers the fact that the city is hitting the budget estimates is encouraging.

CAPITAL IMPROVEMENT FUND

½% Capital Improvement Sales Tax

| Year | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------|---------|---------|---------|---------|---------|---------|
| Actual | 797,301 | 808,028 | 777,435 | 741,842 | 796,661 | 772,343 |
| Budget | 754,000 | 872,000 | 810,000 | 760,000 | 715,000 | 745,000 |
| (+)/(-) Prior | -1,585 | 10,727 | -30,593 | -35,593 | 54,819 | -24,318 |
| (+)/(-) Budget | 43,301 | -63,972 | -32,565 | -18,158 | 81,661 | 27,343 |

The capital improvement sales tax finished the first quarter \$27,343 ahead of the \$745,000 prorated budget. However, when compared to 2011, sales tax receipts decreased by \$24,318 or 3.1%. Again, there is a long way to go before we reach the numbers seen in 2007 and 2008. That target may be difficult to achieve with the implementation of the 2010 census numbers and the ongoing economic situation.

PARK IMPROVEMENT FUND

½% Park Sales Tax

| <u>Year</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actual | 402,810 | 750,212 | 753,314 | 705,282 | 751,896 | 701,444 |
| Budget | 390,000 | 757,000 | 757,000 | 720,000 | 695,000 | 720,000 |
| (+)/(-) Prior | -21,597 | 347,402 | 3,102 | -48,032 | 46,614 | -50,452 |
| (+)/(-) Budget | 12,810 | -6,788 | -3,686 | -14,718 | 56,896 | -18,556 |

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

Results from the park sales tax for the first quarter were disappointing. Receipts were \$50,452 or 6.7% less than last year and under the expected budget by \$18,556.

FINALLY

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 February 29, 2012 and from the judgment and opinions of the Director of Finance. 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 at on the city's web site at www.florissantmo.com.

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