



Quarterly Financial Report

City of Florissant, Missouri

Third Quarter Ended August 31, 2015 October 5, 2015

OVERVIEW

With three quarters of the 2015 fiscal year now complete, the overall the revenue situation is mixed. The general fund has hit some rough pavement while the capital improvement and park improvement sales tax funds are both in fifth gear and cruising along. The opening of the new Wal-Mart at the corner of New Halls Ferry and Lindbergh will have a significant positive impact on future revenue, particularly in the park improvement fund. Sales taxes across-the-board are holding on to strong gains attained in the 2014 fiscal year and even adding to them. Utility tax receipts, however, are down across-the-board. Telephone utility tax receipts in particular are troubling. Building permit revenue is down as expected due to the spike last year from the activity related to the Wal-Mart development.

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 2014, gasoline tax revenue is up \$38,899 or 3.4%. The 2015 budget was held at \$1,550,000 as the most conservative position. The prorated budget for the gasoline tax at the third quarter is \$1,150,000 with actual receipts \$49,982 ahead of this goal. If gasoline tax receipts continues at the pace they are on total collections will end up in the vicinity of \$1,565,000 which would be \$15,000 over the budget.

Gasoline Tax:

Year	2010	2011	2012	2013	2014	2015
Actual	1,302,027	1,290,332	1,173,233	1,146,043	1,161,083	1,199,982
Budget	1,183,000	1,295,000	1,217,000	1,155,000	1,140,000	1,150,000
(+)/(-) Prior	91,013	-11,695	-117,099	-27,190	15,040	38,899
(+)/(-) Budget	119,027	-4,668	-43,767	-8,957	21,083	49,982

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 underperforming across-the-board this year. Compared to the third quarter of 2014, combined utility tax receipts are down \$187,168 or 3.9%. For the year electric is down 0.4% or \$7,277, gas is down 2.0% or \$26,519, telephone receipts continue a steep decline which began in 2011 and are down 13.5% or \$153,097, and water is down 0.1% or \$275. The prorated budget for the utility tax at the third quarter is \$4,780,000 with actual receipts \$212,807 under of this goal.

Utility Tax:

Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Actual	4,124,825	4,726,140	4,460,942	4,655,008	4,754,361	4,567,193
Budget	4,550,000	4,375,000	4,375,000	4,375,000	4,570,000	4,780,000
(+)/(-) Prior	971,360	601,315	-265,198	194,066	99,353	-187,168
(+)/(-) Budget	-425,175	351,140	85,942	280,008	184,361	-212,807

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 the total of real estate and personal property peaked at \$684,127,277. Combined assessed value for 2015 is \$531,103,373, a drop of 22.4% since 2007. Real estate assessed value has dropped from a peak of \$579,872,410 in 2007 to \$438,085,400 in 2015, a decline of 24.5%. Road and bridge receipts reached \$700,642 in 2008 but since that time has been in decline, sinking to \$551,289 in 2014.

Receipts through the third quarter are coming in as expected with revenue of \$544,839. With the bulk of distributions already received, revenue is expected to finish right at the \$550,000 that is budgeted.

Road and Bridge Tax:

Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Actual	624,136	626,584	568,870	574,194	539,975	544,839
Budget	616,000	614,000	594,000	566,000	581,500	537,500
(+)/(-) Prior	-31,995	2,448	-57,714	5,324	-34,219	4,864
(+)/(-) Budget	8,136	12,584	-25,130	8,194	-41,525	7,339

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 through the third quarter are \$5,759,485 which is up \$66,223 or 1.2% from last year. This is encouraging as sales tax continues to remain very strong and if things continue this will mark the third year in a row of positive sales tax growth. The 2015 budget of \$7,500,000 was set to reflect a decline in sales tax receipts due to the recent track record of sales tax receipts which have been up and down. Sales tax revenue is \$339,485 ahead of the prorated budget of \$5,420,000. It appears that sales tax will be able to retain the growth from 2014 and finish near \$7,850,000.

Sales Tax:

Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Actual	4,821,868	5,048,709	5,049,630	5,162,331	5,693,262	5,759,485
Budget	4,970,000	4,740,000	4,735,000	5,030,000	5,095,000	5,420,000
(+)/(-) Prior	-93,474	226,841	921	112,701	530,931	66,223
(+)/(-) Budget	-148,132	308,709	314,630	132,331	598,262	339,485

TOTAL GENERAL FUND REVENUE is down 3.7% or \$676,576 from 2014. Four revenue sources combine to account for a decrease of \$870,508. These sources include the utility tax which is down \$187,168, building permits which are down \$172,664, court revenue is down \$383,313, and golf course revenue is down \$127,363. Proceeds from the sale of the golf cart fleet of \$132,350 are reflected in the prior year totals which distorts the golf revenue picture. When this one time payment is adjusted out the golf course is up \$4,987. Four revenue sources combine to account for \$185,262 in revenue growth. These sources include the gasoline tax which is up \$38,899, sales tax is up \$66,223, businesses licenses are up \$34,143 on an improving local business environment and the addition of the new Wal-Mart, and cable TV is up \$45,997. These eight revenue sources net out to an overall decline of \$685,246 which is the greater portion of all revenue sources combined which are down \$676,576.

When we compare the total general fund revenue numbers to budget projections for the third quarter the overall picture improves somewhat due to conservative budget estimates. Total general fund revenue of \$17,700,490 is \$131,310 under budget projections for the third quarter. It is highly doubtful that the revenue picture for the general fund will improve significantly in the fourth quarter and it is anticipated that actual revenue will not reach the budget goal for all sources combined.

Total General Fund Revenue:

Year	2010	2011	2012	2013	2014	2015
Actual	17,561,074	18,979,857	18,077,798	17,644,995	18,377,066	17,700,490
Budget	16,872,200	18,168,703	17,412,593	17,306,070	17,367,450	17,831,800
(+)/(-) Prior	2,829,385	1,418,783	-902,059	-432,803	732,071	-676,576
(+)/(-) Budget	688,874	811,154	665,205	338,925	1,009,616	-131,310

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 4.8% or \$120,533 over this same time period last year which is very positive. The capital improvement sales tax has been in growth mode since 2011 and it appears that that trend will continue at least through 2015. When compared to the prorated budget, the picture improves with revenue \$184,044 ahead of third quarter projections. At this point it appears that the capital improvement sales tax should finish the year very near the \$3,420,000 mark which would be only the third time it has exceeded the \$3,300,000 mark since 1999 and the first time it has exceeded the \$3,400,000 mark. Receipts will easily eclipse the \$3,200,000 budget.

½% Capital Improvement Sales Tax:

Year	2010	2011	2012	2013	2014	2015
Actual	2,256,729	2,355,025	2,350,388	2,406,377	2,488,511	2,609,044
Budget	2,260,000	2,215,000	2,185,000	2,300,000	2,310,000	2,425,000
(+)/(-) Prior	-54,478	98,296	-4,637	55,989	82,134	120,533
(+)/(-) Budget	-3,271	140,025	165,388	106,377	178,511	184,044

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 \$34,870 or 1.5%. The park improvement sales tax has also been in growth mode since 2011 and shows no signs of stopping, particularly with the addition of the new Wal-Mart which will have a significant impact on the park sales tax for years to come. When compared to the prorated budget of \$2,340,000 sales tax receipts are \$60,251 over projections. Revenue is projected to exceed the budget of \$3,125,000 by \$65,000.

½% Park Sales Tax:

Year	2010	2011	2012	2013	2014	2015
Actual	2,145,971	2,225,112	2,248,135	2,288,369	2,365,381	2,400,251
Budget	2,190,000	2,130,000	2,075,000	2,170,000	2,200,000	2,340,000
(+)/(-) Prior	-106,439	79,141	23,023	40,234	77,012	34,870
(+)/(-) Budget	-44,029	95,112	173,135	118,369	165,381	60,251

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, 2015. 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.

R. J. McDaniel

Randal J. McDaniel
Director of Finance