



Quarterly Financial Report

City of Florissant, Missouri

Third Quarter Ended August 31, 2016

October 13, 2016

Overview

With three quarters of the 2016 fiscal year now complete, the overall revenue situation is mixed. The general fund is struggling while the capital improvement, park improvement and street sales tax funds are all doing well. Sales taxes across-the-board are holding on to gains going back a number of years and even adding to them. Unfortunately, two revenue sources in the general fund have combined to more than offset the gains from all other revenue sources in that fund.

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 2015, gasoline tax revenue is down \$2,779 or 0.2%. The 2016 budget of \$1,550,000 is the same as 2015 as no growth was anticipated. The prorated budget for the third quarter is \$1,145,000 with actual receipts \$52,203 ahead of this goal. Receipts are on track to finish up near \$1,620,000 which would be \$70,000 over the budget.

Gasoline Tax:

Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actual	1,302,027	1,290,332	1,173,233	1,146,043	1,161,083	1,199,982	1,197,203
Budget	1,183,000	1,295,000	1,217,000	1,155,000	1,140,000	1,150,000	1,145,000
(+)/(-) Prior	91,013	-11,695	-117,099	-27,190	15,040	38,899	-2,779
(+)/(-) Budget	119,027	-4,668	-43,767	-8,957	21,083	49,982	52,203

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 2015, combined utility tax receipts are down \$440,604 or 9.7%. For the year electric is down 2.1% or \$39,704, gas is down 20.4% or \$266,010, telephone receipts continue a steep decline which began in 2011 and are down 8.2% or \$80,513, and water is down 15.2% or \$54,377. The prorated budget for the utility tax at the third quarter is \$4,390,000 with actual receipts \$263,411 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>	<u>2016</u>
Actual	4,124,825	4,726,140	4,460,942	4,655,008	4,754,361	4,567,193	4,126,589
Budget	4,550,000	4,375,000	4,375,000	4,375,000	4,570,000	4,780,000	4,390,000
(+)/(-) Prior	971,360	601,315	-265,198	194,066	99,353	-187,168	-440,604
(+)/(-) Budget	-425,175	351,140	85,942	280,008	184,361	-212,807	-263,411

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 peaked in 2007 at \$684,127,277. Combined assessed value for 2016 is \$536,233,848, an increase of 1.0% over 2015.

Receipts through the third quarter of \$525,734 are \$16,066 under projected receipts of \$541,800. With the bulk of distributions already received, revenue is expected to finish at \$536,000 which is \$14,000 under budget.

Road and Bridge Tax:

Year	2010	2011	2012	2013	2014	2015	2016
Actual	624,136	626,584	568,870	574,194	539,975	544,839	525,734
Budget	616,000	614,000	594,000	566,000	581,500	537,500	541,800
(+)/(-) Prior	-31,995	2,448	-57,714	5,324	-34,219	4,864	-19,105
(+)/(-) Budget	8,136	12,584	-25,130	8,194	-41,525	7,339	-16,066

SALES TAX represents revenue from two sources, the 1% countywide sales tax and the statewide 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 \$5,881,405 which is up \$121,920 or 2.1% from last year. Sales tax continues to remain very strong and, if things continue as they are, this will mark the fourth year in a row of positive sales tax growth. The 2016 budget of \$7,800,000 was set to reflect a decline in sales tax receipts due to the up and down track record of sales tax receipts. As a result, sales tax revenue is \$241,405 ahead of the prorated budget of \$5,640,000. At this time it appears that sales tax will be able to retain the growth from 2015 and finish near \$8,250,000.

Sales Tax:

Year	2010	2011	2012	2013	2014	2015	2016
Actual	4,821,868	5,048,709	5,049,630	5,162,331	5,693,262	5,759,485	5,881,405
Budget	4,970,000	4,740,000	4,735,000	5,030,000	5,095,000	5,420,000	5,640,000
(+)/(-) Prior	-93,474	226,841	921	112,701	530,931	66,223	121,920
(+)/(-) Budget	-148,132	308,709	314,630	132,331	598,262	339,485	241,405

GENERAL FUND revenue is down 2.0% or \$353,786 from 2015. Five revenue sources have combined for an increase of \$597,408 over 2015. These include the sales tax which is up \$121,920, business licenses are up \$67,577, other miscellaneous revenue is up \$267,551 primarily on the strength of the Reliance Insurance settlement payment of \$221,527, grant revenue is up \$78,869, and golf course revenue is up \$61,490. Unfortunately, this growth is more than offset by a sharp decline in two other revenue sources which have combined for a decrease from 2015 of \$997,068.

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 \$17,346,704 is \$133,096 under third quarter budget projections. It is highly unlikely that the revenue picture for the general fund will improve significantly in the fourth quarter. As such, it is anticipated that actual revenue will finish around \$250,000 under the budget projection.

Total General Fund Revenue:

Year	2010	2011	2012	2013	2014	2015	2016
Actual	17,561,074	18,979,857	18,077,798	17,644,995	18,377,066	17,700,490	17,346,704
Budget	16,872,200	18,168,703	17,412,593	17,306,070	17,367,450	17,831,800	17,479,800
(+)/(-) Prior	2,829,385	1,418,783	-902,059	-432,803	732,071	-676,576	-353,786
(+)/(-) Budget	688,874	811,154	665,205	338,925	1,009,616	-131,310	-133,096

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 1.4% or \$36,099 over this same time period last year. The capital improvement sales tax has been in growth mode since 2011 and it appears that trend will continue through 2016. When compared to the prorated budget, the picture improves dramatically with revenue \$175,143 ahead of third quarter projections. At this point it appears that the capital improvement sales tax should finish the year around \$3,550,000. Receipts will easily eclipse the \$3,300,000 budget.

½% Capital Improvement Sales Tax:

Year	2010	2011	2012	2013	2014	2015	2016
Actual	2,256,729	2,355,025	2,350,388	2,406,377	2,488,511	2,609,044	2,645,143
Budget	2,260,000	2,215,000	2,185,000	2,300,000	2,310,000	2,425,000	2,470,000
(+)/(-) Prior	-54,478	98,296	-4,637	55,989	82,134	120,533	36,099
(+)/(-) Budget	-3,271	140,025	165,388	106,377	178,511	184,044	175,143

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 \$259,534 or 10.8% over 2015. 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 had a significant impact on the park sales tax. When com-

pared to the prorated budget of \$2,500,000 sales tax receipts are \$159,785 over projections. Revenue is projected to exceed the budget of \$3,400,000 by \$100,000.

½% Park Sales Tax:

Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actual	2,145,971	2,225,112	2,248,135	2,288,369	2,365,381	2,400,251	2,659,785
Budget	2,190,000	2,130,000	2,075,000	2,170,000	2,200,000	2,340,000	2,500,000
(+)/(-) Prior	-106,439	79,141	23,023	40,234	77,012	34,870	259,534
(+)/(-) Budget	-44,029	95,112	173,135	118,369	165,381	60,251	159,785

Street Sales Tax Fund

STREET SALES TAX represents revenue from the ¼% general purpose local option sales tax which was approved by the voters in November, 2015. 85% of the tax proceeds are distributed to the city with 15% going to the sales tax pool.

The first revenue distribution was received in May, 2016. To date the city has received \$360,268.

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, 2016. 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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