



## Quarterly Financial Report

City of Florissant, Missouri

Fourth Quarter Ended November 30, 2012

December 7, 2012

### OVERVIEW

The 2012 fiscal year has now come to a close. The numbers show that revenues exceeded the budget allocation in all funds and expenditures were held in check.

General fund revenue was budgeted at \$23,104,751. Actual receipts totaled \$23,925,553 which was \$820,802 above the budget allocation. The capital improvement sales tax had a revenue budget of \$2,950,000. Actual receipts totaled \$3,168,808 which was \$218,808 above the budget. The park improvement sales tax had a revenue budget of \$2,850,000. Actual receipts totaled \$3,002,073 which was \$152,073 more than the budget.

The general fund had an expenditure budget of \$24,596,712 for all accounts. Actual expenditures plus encumbrances totaled \$22,918,574 which was \$1,678,138 or 6.8% under the budget allocation. Typically the city looks for expenditures to finish between 5% and 7% under the budget so this result is on the high side of expectations. Savings in wages and benefits accounted for \$774,372 or 46% of the total savings. The insurance account returned \$128,463 and the ice and snow removal account returned \$182,775.

In a broader context, the economy continues to send mixed signals. The stock market has shown significant gains for the year. However, certain intrinsic issues remain with both the local and global economies, such as high unemployment and high debt levels, which could have a serious impact on the city's future financial position. However, at this time the city remains in good financial shape.

### GENERAL FUND

#### Gasoline Tax:

Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Actual	1,748,095	1,658,253	1,652,297	1,757,886	1,729,523	1,562,130
Budget	1,750,000	1,775,000	1,750,000	1,600,000	1,750,000	1,625,000
(+)/(-) Prior	-42,506	-89,842	-5,956	105,589	-28,363	-167,393
(+)/(-) Budget	-1,905	-116,747	-97,703	157,886	-20,477	-62,870

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 distribution is based on a formula which reflects the city's population as compared to the population of all city's statewide. Gasoline tax receipts finished at \$1,562,130 which was \$62,870 short of the budget of \$1,625,000. This is significantly down from the years 2010 and 2011 which finished at \$1,757,886 and \$1,729,523 respectively. This is a direct result of the implementation of the 2010 census numbers into the distribution formula which reflects a decrease in the city's population while the pool population increased.

Utility Tax:

Year	2007	2008	2009	2010	2011	2012
Actual	3,405,790	3,825,458	4,119,805	5,729,070	6,467,222	6,291,224
Budget	3,250,000	3,800,000	4,400,000	5,950,000	5,700,000	6,000,000
(+)/(-) Prior	145,835	419,668	294,347	1,609,265	738,152	-175,998
(+)/(-) Budget	155,790	25,458	-280,195	-220,930	767,222	291,224

Utility license tax receipts finished at \$6,291,224 which was \$291,224 over the budget allocation of \$6,000,000. This total was \$175,998 less than receipts from 2011 despite a severe summer drought and experiencing perhaps the hottest year on record. Compared to 2011, electric increased \$85,974, gas decreased \$241,221, telephone decreased \$80,851, and water increased \$60,100.

Road and Bridge Tax:

Year	2007	2008	2009	2010	2011	2012
Actual	590,309	700,642	671,981	635,055	637,905	579,749
Budget	500,000	575,000	690,000	650,000	625,000	600,000
(+)/(-) Prior	5,902	110,333	-28,661	-36,926	2,850	-58,156
(+)/(-) Budget	90,309	125,642	-18,019	-14,945	12,905	-20,251

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 \$20,251 under the budget of \$600,000 and was down \$58,156 when compared to 2011.

Sales Tax:

Year	2007	2008	2009	2010	2011	2012
Actual	7,439,343	7,412,652	6,787,316	6,705,743	7,084,234	7,031,418
Budget	7,450,000	7,500,000	7,500,000	6,900,000	6,600,000	6,600,000
(+)/(-) Prior	255,437	-26,691	-625,336	-81,573	378,491	-52,816
(+)/(-) Budget	-10,657	-87,348	-712,684	-194,257	484,234	431,418

Sales tax is received from two sources, the countywide 1% sales tax and the statewide motor vehicle sales tax. The countywide 1% sales tax is distributed based on a formula which reflects the city's population as part of a pooled population of other cities and St. Louis County. Receipts of \$7,031,418 were \$431,418 above the budget of \$6,600,000. The budget anticipated a drop in receipts due to the adjustment of the distribution formula to reflect the 2010 census. Fortunately a significant drop off in sales tax revenue did not occur. Such a drop off did occur following the 1990 and 2000 census implementations. Receipts for 2012 of \$7,031,418 were down \$52,816 from 2011 receipts of \$7,084,234 or 0.7%.

Total General Fund Revenue:

Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Actual	20,945,437	22,044,063	19,918,698	23,360,798	24,974,851	23,925,553
Budget	19,817,000	21,123,000	21,983,000	22,399,483	23,654,328	23,104,751
(+)/(-) Prior	1,520,870	1,098,626	-2,125,365	3,442,100	1,614,053	-1,049,298
(+)/(-) Budget	1,128,437	921,063	-2,064,302	961,315	1,320,523	820,802

Total general fund revenue of \$23,925,553 exceeded the budget of \$23,104,751 by \$820,802 or 3.6%. Typically the city likes to see revenue exceed the budget by somewhere between 3% to 5%. These results are within those parameters which is encouraging.

Total actual receipts for 2012 of \$23,925,553 were \$1,049,298 less than 2011 total receipts of \$24,974,851. Receipts for 2011 included one time distributions of \$601,485 from the T-Mobile settlement and an extra \$67,757 from the Department of Revenue annexation settlement for a total of \$669,242 in one-time money. When this is adjusted out of the 2011 revenue totals, 2012 revenue is less than 2011 by \$380,056. Given all the economic difficulties facing the city and the implementation of the 2010 census numbers in 2012 these results are actually very good. In the years following the implementation of the 1990 and 2000 census the city saw a significant drop in revenue. The census does not seem to have had such a dramatic effect on revenue in 2012.

**CAPITAL IMPROVEMENT FUND**

½% Capital Improvement Sales Tax:

Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Actual	3,326,271	3,263,832	3,107,183	3,034,176	3,163,088	3,168,808
Budget	3,025,000	3,500,000	3,250,000	3,050,000	3,000,000	2,950,000
(+)/(-) Prior	243,436	-62,439	-156,649	-73,007	128,912	5,720
(+)/(-) Budget	301,271	-236,168	-142,817	-15,824	163,088	218,808

Capital improvement sales tax finished at \$3,168,808 which was \$218,808 over the budget of \$2,950,000. Revenue for 2012 was nearly identical to that in 2011, up \$5,720. The capital improvement sales tax is distributed based on a formula that reflects the city's population as compared to a pooled population of other cities in St. Louis County. In anticipation of an adjustment to the formula to reflect the implementation of new population totals from the 2010 census the budget was held at a low level. It is encouraging that the actual results did not reflect a significant drop in revenue which was the case resulting from the 1990 and 2000 census implementation.

## PARK IMPROVEMENT FUND

### ½% Park Sales Tax:

Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Actual	2,405,472	3,101,809	3,020,844	2,854,608	2,965,574	3,002,073
Budget	1,600,000	3,100,000	3,100,000	2,950,000	2,850,000	2,850,000
(+)/(-) Prior	774,888	696,337	-80,965	-166,236	110,966	36,499
(+)/(-) Budget	805,472	1,809	-79,156	-95,392	115,574	152,073

The park improvement sales tax is the only point-of-sale city sales tax. This means that 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.

Park sales tax receipts totaled \$3,002,073 which was \$152,073 ahead of the budget of \$2,850,000. When compared to actual receipts in 2011 of \$2,965,574 revenue was up \$36,499. Given all the uncertainty and concerns with the economy these results are encouraging.

## 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 November 30, 2012. 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](http://www.florissantmo.com).

*R. J. McDaniel*

Randal J. McDaniel  
Director of Finance  
City of Florissant, Missouri