



Quarterly Financial Report

City of Florissant, Missouri

Third Quarter Ended August 31, 2017

November 7, 2017

Overview

With three quarters of the 2017 fiscal year now complete, the overall revenue situation is not encouraging. Revenue in the three major funds, the general fund, capital improvement fund and the park improvement fund are all down when compared to last year through the third quarter. This is primarily due to an across-the-board drop in sales tax receipts in all three funds.

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 2016, gasoline tax revenue is up \$25,937 or 2.2%. The 2017 budget is \$1,625,000 with the prorated budget for the third quarter estimated at \$1,208,000. Actual receipts are \$15,140 ahead of this goal.

Gasoline Tax:

Year	2012	2013	2014	2015	2016	2017
Actual	1,173,233	1,146,043	1,161,083	1,199,982	1,197,203	1,223,140
Budget	1,217,000	1,155,000	1,140,000	1,150,000	1,145,000	1,208,000
(+)/(-) Prior	-117,099	-27,190	15,040	38,899	-2,779	25,937
(+)/(-) Budget	-43,767	-8,957	21,083	49,982	52,203	15,140

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%.

Combined utility tax receipts are \$15,236 below the third quarter of 2016. This is primarily due to a continued and considerable drop in telephone tax receipts. For the year electric is down 0.2% or \$3,352, gas is up 5.8% or \$60,314 and water is up 22.5% or \$68,562. Telephone receipts continue a steep decline which began in 2011 and are down 15.6% or \$140,760. The prorated budget for the utility tax at the third quarter is \$4,135,000 with actual receipts \$23,647 under of this goal.

Utility Tax:

Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actual	4,460,942	4,655,008	4,754,361	4,567,193	4,126,589	4,111,353
Budget	4,375,000	4,375,000	4,570,000	4,780,000	4,390,000	4,135,000
(+)/(-) Prior	-265,198	194,066	99,353	-187,168	-440,604	-15,236
(+)/(-) Budget	85,942	280,008	184,361	-212,807	-263,411	-23,647

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 2017 is \$575,288,145, an increase of 7.3% over 2016.

Receipts through the third quarter are \$528,044. This is \$2,310 more than the same point in 2016 and \$12,044 over the prorated budget of \$516,000.

Road and Bridge Tax:

Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actual	568,870	574,194	539,975	544,839	525,734	528,044
Budget	594,000	566,000	581,500	537,500	541,800	516,000
(+)/(-) Prior	-57,714	5,324	-34,219	4,864	-19,105	2,310
(+)/(-) Budget	-25,130	8,194	-41,525	7,339	-16,066	12,044

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 \$5,662,541 which is down \$218,864 or 3.7% from last year. Receipts are \$187,459 under the prorated budget of \$5,850,000. This decline looks to stop a four year run of increasing sales tax receipts.

Sales Tax:

Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actual	5,049,630	5,162,331	5,693,262	5,759,485	5,881,405	5,662,541
Budget	4,735,000	5,030,000	5,095,000	5,420,000	5,640,000	5,850,000
(+)/(-) Prior	921	112,701	530,931	66,223	121,920	-218,864
(+)/(-) Budget	314,630	132,331	598,262	339,485	241,405	-187,459

GENERAL FUND revenue is down 1.2% or \$203,065 from 2016. Four revenue sources have combined for an increase of \$478,836 over 2016. These include the golf course which is up \$77,133, gasoline tax is up \$25,936, business license revenue is up \$319,115 primarily due to the increase in the real estate rental license fee, and building permits are up \$56,651. Unfortunately, this growth is more than offset by significant declines in six revenue sources. These include the sales tax down \$218,864, municipal court down \$243,955, other revenue down \$69,660, cable TV down \$66,276, interest down 33,535 and grant revenue down \$34,275 for a combined total of \$666,565. The net effect of these ten individual revenue sources is a decline of \$187,729.

When we compare the total general fund revenue numbers to prorated budget projections for the third quarter the overall picture improves somewhat due to conservative budget estimates but it is still under expectations. Total general fund revenue of \$17,143,639 is \$86,811 under

third quarter budget projections of \$17,230,450. It is highly unlikely that the revenue picture for the general fund will improve significantly in the fourth quarter.

<u>Total General Fund Revenue:</u>						
Year	2012	2013	2014	2015	2016	2017
Actual	18,077,798	17,644,995	18,377,066	17,700,490	17,346,704	17,143,639
Budget	17,412,593	17,306,070	17,367,450	17,831,800	17,479,800	17,230,450
(+)/(-) Prior	-902,059	-432,803	732,071	-676,576	-353,786	-203,065
(+)/(-) Budget	665,205	338,925	1,009,616	-131,310	-133,096	-86,811

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 sales tax revenue is down 1.3% or \$34,680 over the third quarter in 2016. It appears that the capital improvement sales tax, which had been growing since 2011 will decline in 2017. When compared to the prorated budget of \$2,580,000, the picture improves somewhat with revenue \$30,463 ahead of third quarter projections.

<u>½% Capital Improvement Sales Tax:</u>						
Year	2012	2013	2014	2015	2016	2017
Actual	2,350,388	2,406,377	2,488,511	2,609,044	2,645,143	2,610,463
Budget	2,185,000	2,300,000	2,310,000	2,425,000	2,470,000	2,580,000
(+)/(-) Prior	-4,637	55,989	82,134	120,533	36,099	-34,680
(+)/(-) Budget	165,388	106,377	178,511	184,044	175,143	30,463

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 sales tax revenue is down \$31,573 or 1.2% over the third quarter in 2016. The park improvement sales tax had also been in growth mode since 2011 and it appears that trend will come to an end as well. When compared to the prorated budget of \$2,715,000 sales tax receipts are \$86,788 under projections.

<u>½% Park Sales Tax:</u>						
Year	2012	2013	2014	2015	2016	2017
Actual	2,248,135	2,288,369	2,365,381	2,400,251	2,659,785	2,628,212
Budget	2,075,000	2,170,000	2,200,000	2,340,000	2,500,000	2,715,000
(+)/(-) Prior	23,023	40,234	77,012	34,870	259,534	-31,573
(+)/(-) Budget	173,135	118,369	165,381	60,251	159,785	-86,788

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.

Through the end of the third quarter the city has received \$1,161,145 from this sales tax. This is \$90,145 ahead of the prorated budget of \$1,071,000.

Source Material

Revenue information provided in this Quarterly Financial Report is primarily derived from the monthly Statement of Cash Receipts and Disbursements, commonly referred to as the Monthly Operating Report. Copies of the Monthly Operating Report may be found on the city's web site at www.florissantmo.com.

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