



Overview

The economic outlook for the country continues to be troubled at best. Standard & Poor's issued a historic downgrading of the United States credit rating. Apparently Standard & Poor's was skeptical that Congress would pass any meaningful deficit reduction plan or adopt any significant legislation to generate additional revenue. Unemployment continues to remain at high levels while the stock market experiences wild fluctuations.

Consumer debt, the housing market, foreclosures, the national debt, unrest in the Middle East, and the aftermath of the Japanese tsunami all continue to create uncertainties in the economic picture.

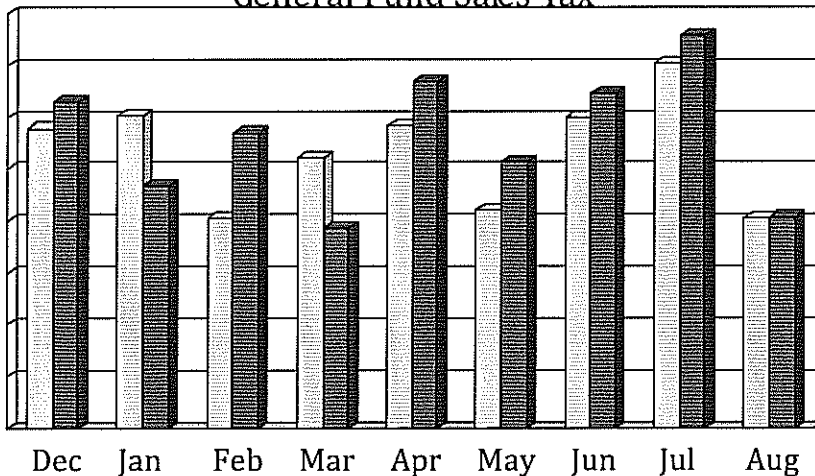
For the city however, the picture is not as bleak. Sales tax receipts seem to have settled down and have exhibited five consecutive months where receipts have exceeded the same period the prior year.

For the third quarter the general fund sales tax was up \$226,841 or 4.7% over the prior year. The Capital Improvement Sales Tax (CIF) and the Park Improvement Sales Tax (PIF) are both showing similar results. The CIF is up \$98,296 or 4.4% and the PIF is up \$79,142 or 3.7%.

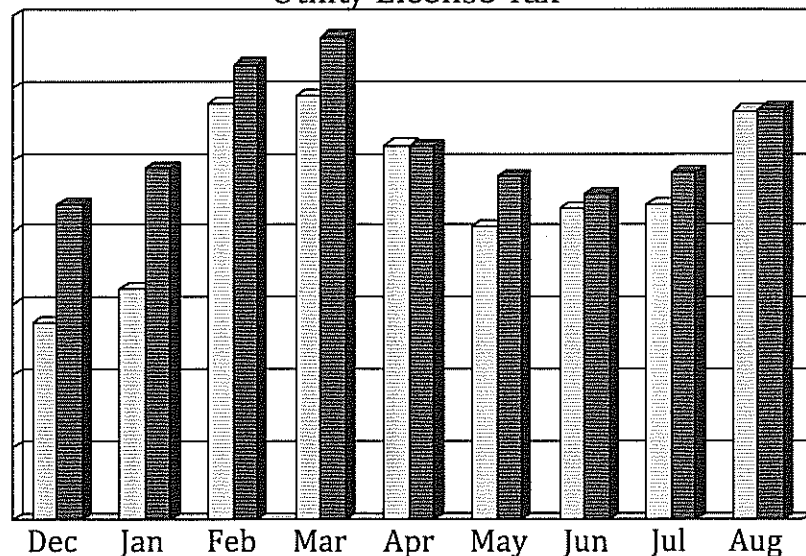
Utility tax receipts are looking very strong for the year. An extremely hot summer has been very beneficial. Combined utility tax receipts are up \$601,315 or 14.6% over last year. Electric is up \$280,942, gas is up \$82,150, telephone is up \$171,525, and water is up \$66,698.

To be fair, it must be noted that receipts from

General Fund Sales Tax



Utility License Tax



December and January of last year were based on 5% while the rate for those months this year was 7%.

To date, the city has received \$372,665.81 from the settlement with the Missouri Department of Revenue resulting from their failure to properly adjust Florissant's population to reflect four annexations beginning in 2002 plus the Paddock Estates annexation in 2009. An additional \$440,423.23 will be distributed over the next 13 months. In addition, by implementing the correct population numbers in August of 2009 the ongoing monthly distribution also increased leading to an estimated \$274,419 in additional revenue over and above the settlement amount. The combined total from the settlement with the Department of Revenue is estimated at \$647,085 to date.

The following is a brief revenue review for the second quarter ended May 31, 2011. In the tables the row labeled "Actual" represents the revenue for the second quarter presented on a cash basis. The row labeled "Budget" is not the total annual budget but represents an estimate of that portion of the adopted budget that would reasonably be expected to be received in the second quarter. This reflects the fact that revenue does not come in on a straight line basis but that there are cycles to revenues. The row labeled "(+)/(-) Prior" represents the difference between that years actual receipts and the prior years actual receipts. Positive numbers indicate that receipts are ahead of the prior year's actual results while negative numbers indicate that receipts are less than the prior year's revenue. The row labeled "(+)/(-) Budget" represents the difference between the estimated budget (Budget) and actual (Actual) results for that year. Positive numbers indicate that receipts are ahead of the budget projections while negative numbers indicate that receipts are running behind budget projections. The history from 2006 to 2010 is shown for comparative purposes.

General Fund

Gasoline Tax:

Year	2006	2007	2008	2009	2010	2011
Actual	1,332,313	1,312,481	1,241,381	1,211,014	1,302,027	1,290,332
Budget	1,312,000	1,294,000	1,312,000	1,294,000	1,183,000	1,295,000
(+)/(-) Prior	31,773	-19,832	-71,100	-30,367	91,013	-11,695
(+)/(-) Budget	20,313	18,481	-70,619	-82,986	119,027	-4,668

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. The gas tax is down \$8,409 or 0.8% from last year while fee increases are down \$3,286 or 1.8%. Combined they are down \$11,695 from last year. On a budget basis the gasoline tax is \$4,668 short of the projected budget through the third quarter of the year.

Road and Bridge Tax:

Year	2006	2007	2008	2009	2010	2011
Actual	538,443	545,088	656,490	656,131	624,136	626,584
Budget	455,000	474,000	545,000	654,000	616,000	614,000
(+)/(-) Prior	64,270	6,645	111,402	-359	-31,995	2,448
(+)/(-) Budget	83,443	71,088	111,490	2,131	8,136	12,584

The road and bridge tax is the city's portion of the countywide 10.5 cent property tax. Real estate assessed values continue to decline throughout the city. In 2011 real estate values in the City of Florissant dropped from \$521,260,940 to \$478,141,190, a drop of \$43,119,750 or 8.3%. Since 2008, when real estate assessed values peaked, assessed values in the City of Florissant have dropped \$102,423,370 or 17.6%. The St. Louis area as a whole has experienced a general decline in the value of single-family homes as well beginning in 2008. The city has not levied a property tax since 1998.

For the year receipts are \$2,448 ahead of the same period last year. On a budget basis revenues for the second quarter are \$12,584 ahead of expectations. The bulk of the distribution of the road and bridge tax for the year has been made.

Sales Tax:

Year	2006	2007	2008	2009	2010	2011
Actual	5,199,148	5,325,369	5,372,442	4,915,342	4,821,868	5,048,709
Budget	5,050,000	5,189,000	5,224,000	5,224,000	4,970,000	4,740,000
(+)/(-) Prior	31,247	126,221	47,073	-457,100	-93,474	226,841
(+)/(-) Budget	149,148	136,369	148,442	-308,658	-148,132	308,709

For the third quarter sales tax receipts are up \$226,841 over last year. On a budget basis sales tax is \$308,709 ahead of the projected budget. Based on results through the third quarter and barring any additional economic calamity, the budget goal of \$6,600,000 should be attained and exceeded.

Utility Tax:

Year	2006	2007	2008	2009	2010	2011
Actual	2,483,357	2,535,874	2,876,949	3,153,465	4,124,825	4,726,140
Budget	2,294,000	2,485,000	2,906,000	3,365,000	4,550,000	4,375,000
(+)/(-) Prior	179,688	52,517	341,075	276,516	971,360	601,315
(+)/(-) Budget	189,357	50,874	-29,051	-211,535	-425,175	351,140

As discussed previously the utility tax is doing very good. Overall it is \$601,315 ahead of the same period last year and \$351,140 ahead of the projected budget. Based on third quarter results the budget goal of \$5,700,000 will easily be exceeded.

Total General Fund Revenue:

Year	2006	2007	2008	2009	2010	2011
Actual	14,709,965	15,838,815	17,254,576	14,731,689	17,561,074	18,979,857
Budget	14,061,000	15,235,000	16,240,000	16,900,000	16,872,200	18,168,703
(+)/(-) Prior	1,021,738	1,128,850	1,415,761	-2,522,887	2,829,385	1,418,783
(+)/(-) Budget	648,965	603,815	1,014,576	-2,168,311	688,874	811,154

On a budget basis overall revenues for the third quarter are looking very good with receipts ahead of the projected budget by \$811,154. This includes the one time distribution from the T-Mobile settlement of \$601,485 in January which was budgeted in miscellaneous revenue at \$500,000.

On a cash basis total revenue is ahead of the prior year by \$1,418,783. Given the economic difficulties the city and the nation have been facing these results are very encouraging. Revenue sources with marked improvement over the prior year include; sales tax is up \$226,841, utility tax is up \$601,316, municipal court is up \$118,611, other revenue is up \$600,327, and cable TV is up \$31,066. Sources which are down significantly include; parks overall is down \$46,564, the golf course is down \$71,799, business licenses are down \$10,788, and building permits are down \$14,958.

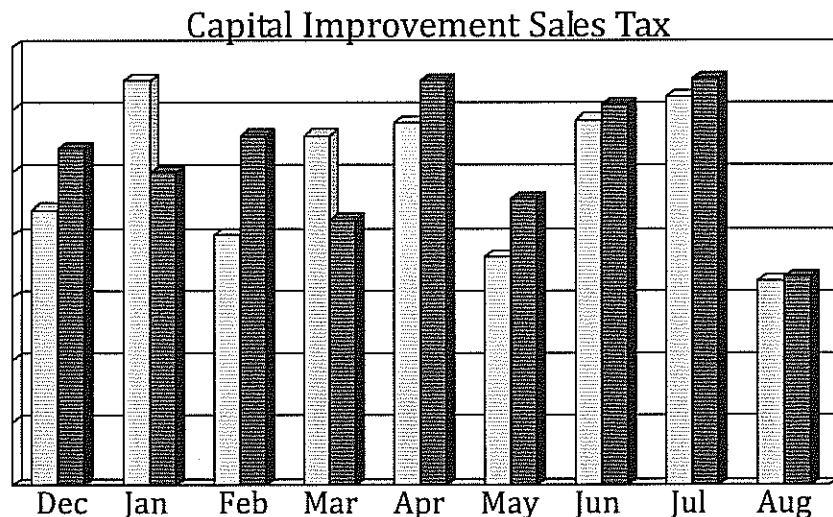
Overall, the city is on track to exceed budget projections in the general fund.

Capital Improvement Fund

½% Capital Improvement Sales Tax

Year	2006	2007	2008	2009	2010	2011
Actual	2,294,647	2,433,937	2,425,093	2,311,207	2,256,729	2,355,025
Budget	2,297,000	2,241,000	2,593,000	2,408,000	2,260,000	2,215,000
(+)/(-) Prior	8,752	139,290	-8,844	-113,886	-54,478	98,296
(+)/(-) Budget	-2,353	192,937	-167,907	-96,793	-3,271	140,025

The capital improvement sales tax reflects a pattern similar to that exhibited by the general sales tax with peaks and valleys early in the year. It continues to follow the general sales tax with receipts for the last five months being ahead of the previous year. Overall results for third quarter are good



with revenue up \$98,296 or 4.4% over the same period the prior year. On a budget basis receipts are \$140,025 ahead of budget projections. Based on third quarter results the budget goal of \$3,050,000 is readily attainable.

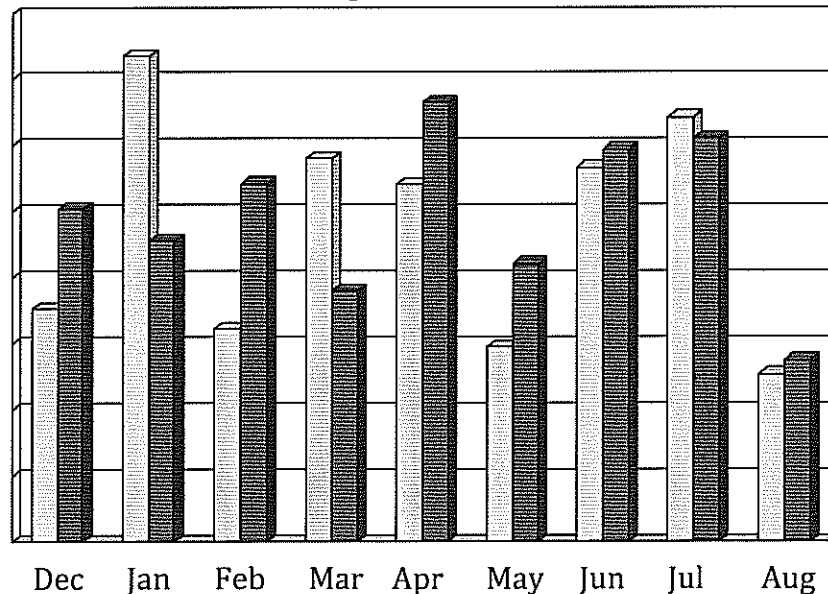
Park Improvement Fund

½% Park Sales Tax

Year	2006	2007	2008	2009	2010	2011
Actual	1,239,113	1,565,928	2,316,162	2,252,410	2,145,971	2,225,112
Budget	1,188,000	1,188,000	2,301,000	2,301,000	2,190,000	2,130,000
(+)/(-) Prior	43,334	326,815	750,234	-63,752	-106,439	79,141
(+)/(-) Budget	51,113	377,928	15,162	-48,590	-44,029	95,112

The park improvement sales tax is the only point-of-sale city sales tax. This means it is distributed back to the city based on sales occurring within the corporate limits of the city. All other sales taxes are distributed from sales tax pools based on the city's population in that pool and the sales in each pool.

Park Improvement Sales Tax



Results for the third quarter reflect that revenue is up \$79,141 or 3.7% from the prior year. On a budget basis revenue is \$95,112 ahead of projections. Based on third quarter results the budget goal of \$2,850,000 is readily attainable.

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 City of Florissant, Missouri