

STAFF REPORT



SUBJECT: Monthly Budget Report & Quarterly Investment Report for the period Ending 9/30/2020

DEPARTMENT: Finance

STAFF CONTACT: Monica Harris

BACKGROUND:

In reviewing the financial statements ending September 30, 2020, the financial indicators are as expected, considering the impact of COVID-19.

- **Property Tax**
We received \$9K in property taxes in the month of September, resulting in a \$430K or 7.09% increase over funds collected last fiscal year. The \$6.5 million collected is 101.19% of budget.
- **Sales Tax**
We received \$512K in sales tax in September, resulting in \$14K or 2.65% less than the funds collected last September. The \$6.3 million collected is 96.1% of the \$6.57 million budgeted, which is about 3.9% less than anticipated. We collected \$163K or 2.52% less than the previous fiscal year.
- **HOT Funds**
We received \$325K in revenue in the Hotel Occupancy Tax fund through September, as compared to \$558K in revenue through last September. We spent \$216K in Hotel Occupancy Tax funds through September as compared to \$494K last year. Both are a direct reflection of the impact of COVID-19.
- **Revenue (Budgetary comparison)**
The target budget for operating revenue is \$30.3 million. We received \$28.4 million in revenue through September, resulting in \$1.9K under the target budget. This is a result of reimbursement-based grants and the impact of COVID-19.
- **Expenditures (Budgetary comparison)**
The target budget for operating expenditures is \$21.1 million. We expended \$18.8 million through September resulting in \$2.3 million under the target budget.
- **Revenue (Prior year comparison)**
Operating revenue received last year was \$28.8 million as compared to the current year's \$28.4 million, resulting in a \$355K decrease due to sales taxes, franchise taxes, hotel occupancy taxes, licenses & permits, interest, and other income.
- **Expenditures (Prior year comparison)**
Operating expenditures last year were \$18.9 million as compared to the current year's \$18.8 million, resulting in a \$82K decrease. General Fund expenditures increased \$405K due to wages and benefits, maintenance, damage claims, and COVID-19 supplies. SEDA expenditures increased \$8K for marketing, wages and benefits, and grants.
- **New Programs**

The Downtown Revitalization project, the Green Ribbon Project, Eastside Sewer, the CDBG GLO project, and the street improvement program will all carryover into FY 2020-2021.

- **Investments**

The total market value of cash and investments on September 30, 2020 was \$44,091,950. This is allocated 5% in demand accounts, 1% in brokered certificates of deposit, 39% in TexStar investment pool, and 55% in TexPool investment pool.

We earned 22,507 in interest for the quarter. The average yield to maturity for all account types for the quarter was .48%. The average yield to maturity for investment accounts for the quarter was .70%. The average yield to maturity for a 3-month treasury bill for the quarter was .11%