



THE CITY OF
MANCHESTER
MISSOURI

Memo

To: Mayor and Board of Aldermen, Lawrence Perney, City Administrator
Audit & Finance Committee and Senior Staff

From: Donald Yucuis, Director of Finance

Date: July 15, 2020

Re: 2020 Financial Report – Six Months through June 30, 2020

I am providing a summary financial report for the period ending June 30, 2020 by Fund with comparative six months ending June 30, 2019.

This attached report on pages 5 and 6 report on the six months of 2020 and 2019 and include revenue, expense, and fund balance activity by Fund. This report also includes the following columns:

Column I – 2019 six months year-to-date through June 30, 2019

Column M - 2020 Adopted Budget

Column N – 2020 Recommended Budget Cuts

Column P - 2020 six months year-to-date through June 30, 2020

Column R – 2020 Percent YTD Activity to Recommended Target with Cuts

The revenue/expenditure percent received or spent at six months is 50.0%.

GENERAL FUND –

FY 2020 six month:

- Expenses exceeded revenue by \$141,514.
- Revenue/transfer-in totaled \$5,320,920 or **55.4%** of the 2020 recommended budget target with cuts and a \$293,922 decrease over the same period in 2019. 2020 revenue budget of \$10,784,440 was reduced by \$1,176,210 to \$9,608,230 as a budget target.
- Expenses/transfer-out totaled \$5,462,434 or **54.9%** of the 2020 recommended budget target with cuts and a \$359,665 increase over the same period in 2019. 2020 expenditure budget of \$10,708,667 was reduced by \$751,548 to \$9,957,119 as a budget target.
- Fund balance currently totals \$3.3 million.

Revenues:

- Taxes includes Sales Tax, Property Tax and Gross Receipts and for the six months total \$3,750,327 or 53.6% of 2020 Recommended Target with Cuts and a 4% or \$159,135 decrease over the same period in 2019.
 - Sales tax is comprised of the 1 ¼ cent general sales tax and the City's share of the Prop P Sales Tax. Revenue totals \$2,938,741 or 56% of the recommended budget target with cuts and a 4% or \$126,991 decrease over the same period in 2019.

- Property tax revenue totals \$96,928 or 59% of the recommended budget target with cuts.
- Gross Receipts revenue totaled \$714,657 or 44% of the recommended budget target with cuts and a 5% or \$37,787 decrease over the same period in 2019.
- Intergovernmental revenue totaled \$620,057 or 53% of recommended budget target with cuts and a \$17,032 increase over the same period in 2019.
- Licenses and permits totaled \$413,048 or 86% of recommended budget target with cuts and a \$63,088 decrease over the same period in 2019.
- Municipal Court revenue totaled \$95,227 or 37% of recommended budget target with cuts - court just reopened in late June. 2020 revenue budget was reduced by \$28,250. 2020 revenues show a \$56,186 decrease for the same period in 2019.
- Aquatic Center – pool is closed, and no revenue is expected (original budget-\$270,000). \$151,155 was received in 2019.
- Parks Services revenue totaled \$72,032 or 82% of recommended budget target with cuts. 2020 revenue budget was reduced by \$49,235.
- Homecoming will have little or no revenue in 2020.

Expenses: overall expense reductions totaled \$751,548. All Departments expenses were reduced:

- Aquatics was reduced by \$316,801 as the pool is closed.
- Police Department is reduced by \$222,920 mainly due to a hiring freeze with three vacancies.
- All other departments made up the balance of the reductions of \$211,827.

Debt Service Fund (20) accounts for the Debt Service on the 2018 General Obligation (GO) Bond issue that funded Prop S concrete streets. **No budget reductions were needed in this fund.** A property tax is levied to pay the principal and interest payments on the bonds as they come due. Both 2020 revenue and expenses are in line with the budget.

- Revenues total \$496,192 or 43% of budget and expenses are \$768,181 or 85% of budget. Both are in line where they should be at the six month mark. The June 30, 2020 fund balance is \$768,514.

Tax Increment Financing (TIF) Fund (30)

FY 2020 six month:

- Overall, revenue exceeded expenses by \$1,269,577.
- Revenue/transfer-in totaled \$4,325,720 or 68% of the 2020 recommended budget target with cuts. Revenue target cuts totaled \$517,000 and all in sales tax.
- Revenue is comprised of four major categories:
 - Sales Tax – YTD revenue totaled \$2,105,355 or 60% of the budget target with cuts and a 3% or \$69,000 increase over the same period in 2019.
 - Property Tax – YTD revenue totaled \$1,365,977 or 109% of budget and a \$131,000 increase over the same period in 2019.
 - TDD – YTD revenue totaled \$508,736 or 40% of budget and a \$265,000 decrease over the same period in 2019. The lower amount in 2020 was tied to the 2020 refunding issue and a new TDD distribution agreement.
 - Transfer in Municipal Revenues – YTD revenue totaled \$341,494 or 95% of budget.
- Expenses totaled \$3,056,144 or 45% of 2020 recommended budget. The major expense is for Principal and Interest redemption on the 2019 refunding bonds.
 - Principal of \$2,410,000 and interest of \$397,537 were paid in May 2020.
 - Payment in lieu of Taxes (PILOTS) totaled \$245,783

- The next principal and interest payment on the 2019 refunding bonds will occur in November 2020.
- Fund balance currently totals \$3.9 million.

Special Accounts Fund (40) is mainly for Federal Asset Forfeiture tracking. YTD revenue of \$30,650 is from the sale of the Emergency Response Vehicle.

Capital Projects Fund (50)

FY 2020 six month:

- Overall, revenue exceeded expenses by \$376,513.
- Revenue totaled \$860,189 or 54% of the 2020 recommended budget target with cuts. Revenue projections were reduced by \$160,000 and all in sales tax.
- Revenue is comprised of three categories:
 - Sales Tax – YTD revenue totaled \$788,145 or 55% of the budget target with cuts and approximately the same as the 2019 period.
 - Grants/reimbursement – YTD revenue totaled \$12,258 from Federal/State project reimbursements.
 - Insurance proceeds of \$59,586 for two totaled police vehicles.
- Expenses/transfer-out totaled \$483,676 or 23% of the 2020 recommended budget target with adjustments. The COVID-19 resulted in a decision to move several projects to 2021. Overall expenses were reduced by \$727,027.
 - Management Information Systems budget of \$46,292 was increased by \$16,250 for the purchase of new budget software. 2020 expenses total \$35,610 or 57% of budget target.
 - Police vehicles budget of \$124,000 was increased by \$100,015 to \$224,015 for the purchase of two replacement Police Interceptor vehicles that were totaled and replacing two Detective Bureau vehicles. YTD expenses totaled \$6,176 or 3% of budget after target adjustments.
 - Bridge Repair and Replacement budget of \$450,000 was not changed. YTD expenses total \$77,399 of 17% of budget.
 - Building and Site Improvements budget was reduced by \$153,000 from \$351,000 to 198,000 reductions included Fuel Pump Replacement \$25,000 and Consultant Services \$128,000. The remaining budget after cuts of \$198,000 includes City Hall Balcony, \$150,000, Justice Center Improvements, \$26,000, and Consultant Services, \$22,000. YTD expenses total \$34,667 or 17% of budget target cuts.
 - Concrete Street Replacement budget of \$730,500 was reduced by \$555,800 to \$174,700 and specifically for Dougherty Ferry Road Construction which moved to 2021. YTD expenses total 51,846 or 30% of budget after target adjustments.
 - Concrete Sidewalk Replacement budget of \$300,000 was unchanged. YTD expenses total \$19,732 or 6.6% of budget.
 - Machinery & Equipment budget of \$283,000 was reduced by \$129,492 to \$153,508. The specific reductions included \$75,000 for a light duty truck, \$29,492 for a pick-up truck, and \$25,000 for a pavement roller. There are no YTD expenses.
 - Transfer out budget of \$500,000 to the General Fund was unchanged. YTD transfer totaled \$250,000 or 50% of budget.
- Fund balance currently totals \$1.17 million.

Parks and Storm Water Fund (60)

FY 2020 six month:

- Overall, expenses exceeded revenues by \$535,043.
- Revenue totaled \$918,088 or 40% of the 2020 recommended budget target with cuts. Revenue projections were reduced by \$180,000 and all in sales tax.
- Revenue is comprised of two major categories:
 - Sales Tax – YTD revenue totaled \$918,088 or 56% of the budget target with cuts and slightly more than the 2019 period.
 - Grants/reimbursement – YTD revenue totaled zero and the \$700,000 projected amount is from a Metropolitan Sanitary District reimbursement related to the Chadwick Brookvale Relief Sewer Project.
- Expenses totaled \$1,257,886 or 50% of the 2020 recommended budget target with cuts. The COVID-19 resulted in a decision to move several projects to 2021. The expense budget was reduced by \$1,000,868 from \$3,521,845 to \$2,523,477.
 - Aquatics Center projects totaling \$140,141 were reduced due to the pool being closed. YTD expenses totaled \$44,600 or 97% of the reduced target budget.
 - Parks projects were reduced \$110,727 but an expense for 2019 Parks Asphalt overlay of \$138,716 was made in 2020. The \$110,727 reduction will be offset completely by the expense. YTD expenses totaled \$240,227 or 120% of the targeted budget and 77% of the adopted budget.
 - Public Works Storm water projects reduced by \$750,000, specifically \$377,500 for Channel B and \$372,500 for Channel D restoration. YTD expenses totaled \$1,168,243 or 51% of the targeted budget.
- Fund balance currently totals \$2.37 million.

Sanitary Sewer Repair Fund (70)

FY 2020 six month:

- Overall, expenses exceeded revenues by \$46,238.
- Revenue totaled \$67,029 or 32% of the 2020 budget.
- Expenses totaled \$113,267 or 40% of 2020 budget. Expenses include 1.5 full-time staff charges totaling \$48,641 or 47% of the 103,495 budget and sewer lateral expenses totaling \$64,626 or 36% of the \$180,000 budget.
- Fund balance currently totals \$81,720.

Prop S Capital Fund

FY 2020 six month:

- Overall, revenue exceeded expenses by \$6,413,961.
- Revenue totaled \$7,477,345 or 105% of the 2020 budget and includes:
 - Investment income of \$70,428 or 94% of budget and
 - Proceeds from the 2020 General Obligation Bond Issue of \$7,406,916 or 105% of budget.
The bond proceeds will be used in the next three years for the concrete street program.
- Expenses totaled \$1,063,384 or 29% of 2020 budget
- Fund balance currently totals \$10.4 million.

	B	C	D	E	K	M	O	P	R	T
					2019 YTD Activity Six Months through June 30, 2019		2020 Adopted Budget	2020 Recommended Target with Cuts	2020 YTD Activity Six Months through June 30, 2020	2020 % YTD Activity to Recommended Budget Target with Cuts
6										
7										
8	Fund: 10 - GENERAL FUND									
9	Revenue									
10				510 - Taxes	3,909,461		7,643,600	7,002,300	3,750,327	53.6%
11				520 - Inter-governmental	603,025		1,285,000	1,174,800	620,057	52.8%
12				530 - Licenses & Permits	476,136		531,800	478,875	413,048	86.3%
13				540 - Municipal Court	151,413		284,500	256,250	95,227	37.2%
14				550 - Investments	8,910		36,000	32,400	14,783	45.6%
15				560 - Aquatic Center	151,155		270,000	-	58	0.0%
16				561 - Park Services	107,641		137,290	88,055	72,032	81.8%
17				562 - Manchester Arts	-		5,800	-	-	0.0%
18				565 - Homecoming	5,288		37,250	22,350	300	1.3%
19				570 - Miscellaneous	76,812		53,200	53,200	105,088	197.5%
20				Subtotal Revenue before transfers in	5,489,842		10,284,440	9,108,230	5,070,920	55.7%
21				600 - Operating Transfers in	125,000		500,000	500,000	250,000	50.0%
22				Total Revenue	5,614,842		10,784,440	9,608,230	5,320,920	55.4%
23								(1,176,210)		
24	Expense									
25				410 - Mayor & Board	27,074		71,125	53,725	24,708	46.0%
26				420 - Administration	312,783		682,905	661,490	373,389	56.4%
27				425 - MIS	175,000		325,270	310,470	179,948	58.0%
28				430 - Finance	424,671		719,725	707,525	480,975	68.0%
29				440 - Police	1,865,437		3,985,377	3,762,457	1,938,870	51.5%
30				450 - Aquatic Center	65,178		358,405	41,604	14,003	33.7%
31				460 - Park	498,042		949,740	860,741	458,795	53.3%
32				465 - Homecoming	4,086		38,465	38,465	3,250	8.4%
33				470 - Public Works	1,258,898		2,581,835	2,556,174	1,332,649	52.1%
34				475 - Planning & Zoning	155,673		341,985	328,205	171,606	52.3%
35				480 - Legal	120,031		270,855	264,705	136,464	51.6%
36				485 - Manchester Arts	5,901		22,980	11,558	6,283	54.4%
37				Subtotal Expenses before transfers out	4,912,775		10,348,667	9,597,119	5,120,940	53.4%
38				600 - Operating Transfers out	189,994		360,000	360,000	341,494	94.9%
39				Total Expenses	5,102,769		10,708,667	9,957,119	5,462,434	54.9%
40										
41	Fund: 10 - GENERAL FUND Surplus (Deficit):				512,073		75,773	(348,889)	(141,514)	
42										
43	Beginning Fund Balance January 1				2,970,204		3,466,351	3,466,351	3,466,350	
44	Ending Fund Balance December 31				3,482,277		3,542,124	3,117,462	3,324,836	
45	Fund Balance as a % of Expenses-->						33.1%			
46										
47	Fund: 20 - DEBT SERVICE FUND									
48				Revenue	442,616		1,154,000	1,154,000	496,192	43.0%
49				Expense	766,555		902,962	902,962	768,181	85.1%
50										
51	Fund: 20 - DEBT SERVICE FUND Surplus (Deficit):				(323,939)		251,038	251,038	(271,989)	
52										
53	Beginning Fund Balance January 1				863,513		1,040,504	1,040,504	1,040,503	
54	Ending Fund Balance December 31				539,574		1,291,542	1,291,542	768,514	
55										
56	Fund: 30 - TAX INCREMENT FINANCING FUND									
57										
58				Revenue	4,331,675		6,845,000	6,328,000	4,325,720	68.4%
59				Expense	3,663,771		6,779,660	6,779,660	3,056,144	45.1%
60										
61	Fund: 30 - TAX INCREMENT FINANCING FUND Surplus (Deficit):				667,904		65,340	(451,660)	1,269,577	
62										
63	Beginning Fund Balance January 1				8,396,562		2,694,997	2,694,997	2,694,996	
64	Ending Fund Balance December 31				9,064,466		2,760,337	2,243,337	3,964,573	
65										

	B	C	D	E	K	M	O	P	R	T
					2019 YTD Activity Six Months through June 30, 2019		2020 Adopted Budget	2020 Recommended Target with Cuts	2020 YTD Activity Six Months through June 30, 2020	2020 % YTD Activity to Recommended Budget Target with Cuts
6										
66	Fund: 40 - SPECIAL ACCOUNTS									
67				Revenue	-		-		30,650	0.0%
68				Expense	-		-		816	0.0%
69										
70				Fund: 40 - SPECIAL ACCOUNTS Surplus (Deficit):	-		-		29,834	
71										
72				Beginning Fund Balance January 1	16,698		27,714	27,714	27,713	
73				Ending Fund Balance December 31	16,698		27,714	27,714	57,547	
74										
75	Fund: 50 - CAPITAL IMPROVEMENT FUND									
76				Revenue	1,250,672		2,305,000	2,145,000	860,189	40.1%
77				Expense	236,218		2,797,292	2,075,265	483,676	23.3%
78										
79				Fund: 50 - CAPITAL IMPROVEMENT FUND Surplus (Deficit):	1,014,454		(492,292)	69,735	376,513	
80										
81				Beginning Fund Balance January 1	(15,528)		797,758	797,758	797,757	
82				Ending Fund Balance December 31	998,926		305,466	867,493	1,174,270	
83										
84	Fund: 60 - PARKS & STORM WATER PROJECTS FUND									
85				Revenue	911,966		2,500,000	2,320,000	918,088	39.6%
86				Expense	244,916		3,521,845	2,523,477	1,453,130	57.6%
87										
88				Fund: 60 - PARKS & STORM WATER FUND Surplus (Deficit):	667,050		(1,021,845)	(203,477)	(535,043)	
89										
90				Beginning Fund Balance January 1	1,869,074		2,905,889	2,905,889	2,905,888	
91				Ending Fund Balance December 31	2,536,124		1,884,044	2,702,412	2,370,845	
92										
93	Fund: 70 - SANITARY SEWER REPAIR FUND									
94				Revenue	74,506		211,000	211,000	67,029	31.8%
95				Expense	130,758		283,495	283,495	113,267	40.0%
96										
97				Fund: 70 - SANITARY SEWER REPAIR FUND Surplus (Deficit):	(56,252)		(72,495)	(72,495)	(46,238)	
98										
99				Beginning Fund Balance January 1	190,196		127,959	127,959	127,958	
100				Ending Fund Balance December 31	133,944		55,464	55,464	81,720	
101										
102	Fund: 80 - PROP S-CAPITAL IMPROVEMENTS									
103										
104				Revenue	79,823		7,075,000	7,075,000	7,477,345	105.7%
105				Expense	2,256,794		3,600,000	3,600,000	1,063,384	29.5%
106										
107				Fund: 80 - PROP S-CAPITAL IMPROVEMENTS Surplus (Deficit):	(2,176,971)		3,475,000	3,475,000	6,413,961	
108										
109				Beginning Fund Balance January 1	8,443,028		4,014,274	4,014,274	4,014,273	
110				Ending Fund Balance December 31	6,266,057		7,489,274	7,489,274	10,428,234	
111										