



City of South Lake Tahoe

Report to City Council

Meeting Date: July 14, 2020

Title: Fiscal Year 2019/20 Monthly Financial Status Report - May 2020

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Financial Services Manager, (530) 542-7431; Andrew Black, Accountant, (530) 542-6061

Description/Analysis

Background:

Due to the need for more frequent evaluations of the City's fiscal health in the wake of the COVID-19 crisis, the Finance Department submits this monthly report to City Council that provides assurance of budget compliance and can be used for informational and comparative purposes.

Attachment 2, "*FY 2019/20 Monthly Budget and Financial Status Report May 2020*" is an unaudited snapshot of year-to-date actual revenues and expenditures for the General Fund for that period.

Issue and Discussion:

At the end of May 2020 with 66.7% of the year complete, General Fund revenues were at 62.0% of the amended budget, while expenditures were at 51.5% of appropriations. All departmental expenditures were below the 66.7% threshold allocated to the first eight months of the fiscal year.

See Attachment 2 for further analysis.

Financial Implications:

FY 2019/20 General Fund budgeted revenues and expenditures through May 2020 in the attached report do not include major changes approved by City Council in June 2020, adopted to reduce COVID-19 impacts on essential services and ensure continued City operations through September 2020. At May 31, 2020, or after the first eight months of the fiscal year, actual General Fund revenues exceeded expenditures by \$4.6 million.

Environmental Considerations: None

Policy Implications: Consistent with City's Financial Policies



CITY OF SOUTH LAKE TAHOE - FINANCIAL SUMMARY

Through May 2020

This report summarizes the City's financial position for the General Fund for 2019/20 fiscal year through May 2020 displaying expenditure at the department level and revenues by type.

General Fund Financial Condition

With 66.7% of the year complete, General Fund revenues are at 62.0% of projections and expenditures are at 51.5% of appropriations.

Revenues by Type	Total Budget	Actuals through May 31	As % of Budget
Property Tax	\$ 8,300,500	\$ 8,060,757	97.1%
Transient Occupancy Tax	9,930,574	4,356,470	43.9%
Transient Occupancy Tax - Project Area	5,819,209	2,905,357	49.9%
Sales Tax	4,850,975	2,440,378	50.3%
Measure Q	2,612,025	1,489,316	57.0%
Motor Vehicle License Fees (MVLFF)	2,266,000	2,284,264	100.8%
Franchise Taxes	1,400,000	1,087,413	77.7%
Business License Tax	1,531,600	145,019	9.5%
Finance - Other Revenues	1,366,571	868,639	63.6%
General Government	1,765	1,426	80.8%
Police	1,448,552	979,751	67.6%
Fire	763,494	55,955	7.3%
Public Works	577,200	440,327	76.3%
Development Services	1,431,765	1,330,655	92.9%
Recreation	1,375,900	431,397	31.4%
Transfers In	457,716	250,216	54.7%
Miscellaneous General Fund	12,000	251,288	2094.1%
REVENUES TOTAL	\$ 44,145,846	\$ 27,378,628	62.0%

Expenditures by Department	Total Budget	Actuals through May 31	As % of Budget
General Government	\$ 3,123,518	\$ 1,539,107	49.3%
Finance	2,719,033	1,659,645	61.0%
Miscellaneous General Fund	9,658,404	3,560,391	36.9%
Police	11,319,333	6,478,698	57.2%
Fire	8,165,820	4,254,069	52.1%
Public Works	5,625,607	3,354,903	59.6%
Development Services	2,020,956	1,306,187	64.6%
Recreation	1,710,524	671,979	39.3%
EXPENDITURES TOTAL	\$ 44,343,195	\$ 22,824,979	51.5%

Top Three Revenues. Our top three revenues, Property Tax, City Transient Occupancy Tax, and Sales Tax, account for about 58.2% of the revised total General Fund budgeted revenues at May 31st.

- **Property Tax.** The City received two major apportionments of 2019-20 taxes, in December and in April – no change from the previous month.

- **Transient Occupancy Tax (City).** Budgeted TOT revenue was revised as part of the mid-year budget review and was further reduced for lodging closures in June. June adjustments are not reflected in this report. City TOT collection reported here reflects occupancy through April 2020.

- **Sales Tax and Measure Q.** Sales tax revenue received reflects 7 months of annual receipts lagging 1 month until year end.

Other Revenues Highlights. TOT collection from the Project Area reflects occupancy through April 2020. MVLFF revenue collected mirrors Property Tax encompassing 100.8% of the current year's budget. Planning and building fees collected were at 92.9% of budgeted, while most of the Business License Tax revenue is anticipated closer to the end of the fiscal year.

Expenditures. Of the \$22.8 million in total actual expenditures through May 31st, approximately \$16.5 million or 72.5% of total expended is personnel expense representing

18 payroll periods, or 69.2% of periods for the year. This does not include CalPERS Unfunded Accrued Liability yearly pre-payment due July 2020 of approximately \$4.5 million in total. Out of the remaining 27.5% or approximately \$6.3 million of actual expenditures, \$2.3 million is attributed to transfers, \$1.3 million to Professional, Technical and other contract services, \$1.0 million to miscellaneous general expense including taxes and fees, travel and training, communications etc., \$0.8 million to purchases of tools, parts, software, machinery and equipment, and the remaining \$0.9 million - to utilities, general supplies and other miscellaneous expense.