



# Director of Finance Report

March 08, 2021

Honorable Mayor and  
Members of the City Council  
City of Warrensburg, Missouri

Dear Mayor and Council Members:

The Director of Finance respectfully submits this report to augment your review of the financial information provided. It includes an update of processes Finance is working to complete and outlines the data included in the attached documents.

## ***Business/Liquor Licenses:***

Three local business establishments have been Issued citations from the Prosecutor's Office for failure to maintain an active license. One business has been sent a follow up letter to confirm they are out of business. To comply they must contact the Prosecutor's Office and provide proof of license renewal or appear before the judge on the required court date.

Business and dog license fees are prorated at this time as the license is only valid through May 31. Staff is working to update information and forms for the upcoming license renewal season. Renewals will be sent the last week of April.

Thirteen liquor license establishments have not scheduled the location inspection by the March 1 due date. Two establishments failed the initial inspection and will be required to pay the \$225.00 fee before any future inspections can be scheduled.

Expiration date for liquor licenses is June 30 and an approved inspection must be provided as part of the process.

## ***Utility Billing:***

Follow up letters have been sent to any account holders that have a current credit card draft pending to update their information for future payment process. Thirty account holders for two zones have been removed from draft with a letter sent stating the account could be subject to penalties if not paid as the draft process has been discontinued.

Billing for Zone 1 residential customers on the next cycle will include readings to calculate for the new winter average.

Collections procedures continue that include additional reports to sort delinquent past due accounts with personal identifiers to transfer balances due to a new account.

Disconnects continue with several accounts pending for shut off closed due to delay caused by inclement weather.

Customers continue signing up for E-billing.

**Audit Fiscal Year 2020:**

The Audit Report is presented at this meeting for Council acceptance providing ample time to submit the report to the State Auditor and other entities as required by bond and other covenants.

**Revenue for Fiscal Year 2021**

Included with this report is a Monthly Revenue Budget Report from the financial system. This report includes each revenue category by fund and total revenue by fund. A revenue category is defined by the type of revenue collected. For example, the City collects Property Tax, Sales Tax, and other revenue.

This report states the adopted annual budget, the current monthly activity, fiscal (year-to-date) activity and remaining budget percentage. As of February, the percentage remaining is expected to be approximately fifty-eight percent (58%). The report reflects the total for all funds as just over fifty percent (50.35%) remaining.

General Fund reflects nearly fifty-two percent (51.74%) remaining. A large portion of General Fund revenue is the Cares Act money that is not included in the adopted budget. The Cares Act funds will be included as part of the mid-year budget amendment scheduled for late April or first of May. Without the Cares Act money, General Fund revenue collections reflects about forty-four percent; under budget by about fourteen percent (14%). This report provides the data to build the monthly revenue charts included in this report.

**Chart for Sales Tax Comparison to Budget**

Council continues to receive revenue reports that include a chart comparing sales tax collections to budget in a column line chart for each of the sales tax collections for the Fiscal Year. Information was included as to how the new chart is created in April 2020. Each Sales Tax collected is reported showing the following:

**“Ten Year Comparison Table”** – this table is located at the top of each monthly sales tax report provided. It is the actual collections by month and compares last year collections to this year, defines the amount and percentage difference in the last two columns.

**“Actual to Budget Column Line Chart”** – this is the chart that reflects the actual collections to budget amounts and the monthly difference and cumulative difference amounts. The line in the chart shows the cumulative percentage change for each month. In this example the percentages fluctuate up and down with each month’s collections compared to budget. The difference and cumulative difference columns show the monthly and cumulative changes as positive and negative amounts.

**“Column Chart of Actual Collections for the past 10 years”** – this chart shows the actual collections each month for the past ten years. The slight variations in the collections are reflected in the size of the color blocks for each month. Overall, the chart shows sales taxes on a basic increase since 2012. The comparison of 2020 to 2021 for February shows a decrease compared to February 2020 of nearly ten percent (9.66%).

Sales tax revenue received in February is for actual sales from December or earlier. With several businesses paying their collected sales taxes at different periods throughout the year creates variation in the percentages from month to month compared to prior years. Some businesses pay monthly, quarterly, semi-annually, or even annually.

The collection of sales taxes for the first part of Fiscal Year 2021 is greater than that collected in the first part of Fiscal Year 2020 by nearly three percent (2.85%). Use tax continues to reflect a significant increase in collections compared to the first part Fiscal Year 2020 by just over eighty-two and half percent (82.58%). Sale Tax collections compared to 2021 Budget reflect just over

four and one quarter percent (4.26%) over projected budget. Use Tax collections compared to budget reflect over sixteen percent (16.08%) over projections.

***Revenue Comparisons:***

February 2021 revenue comparisons are attached for your review. Included is the monthly comparison to February 2020, a year-to-date comparison for Fiscal Year 2021 compared to year-to-date Fiscal Year 2020, and a year-to-date Fiscal Year 2021 compared to Fiscal Year 2021 Budget. The year-to-date comparison to budget is a recap of revenue provided in the Detail vs. Budget Report from the financial system. For the first five months of the fiscal year, overall revenue is slightly exceeding budget with 51.74% remaining.

Combined Franchise taxes continue to reflect a decrease across the board for February 2021 compared to February 2020. February telephone franchise reflects a significant decrease compared to February 2020. It is the largest decrease compared to February 2020 showing nearly thirty percent (29.94%). Combined numbers reflect a decrease just under one percent (0.75%) compared to February 2020.

Motor vehicle fuel tax continues to reflect a decrease compared to 2020 receipts. Total motor vehicle taxes and fees reflect a slight decrease compared to 2020 receipts. Total motor fuel and vehicle taxes exceed projected budget as of February by projection by 8.04%. February property tax receipts are slightly less than February 2020 receipts. Lodging tax collections for February 2021 continue to be down compared to February 2020 by 17.43%.

***Attachments:***

- Monthly Revenue Budget Report
- Sales Tax Comparisons
- Revenue Comparisons