



MEMORANDUM

DATE: August 3, 2017

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: Fourth Quarter FY 2017 Financial Analyses

Attached is a financial report for the two major operating funds for the 4th quarter of FY 2017. In addition, I have commented on the Capital Fund results for FY 2017. These figures are preliminary and unaudited. Some of the highlights are as follows:

1. General Fund

a. Revenues

Revenues were quite a bit lower than originally budgeted for 2017. This was primarily due to Utility Taxes coming in a lot lower than anticipated (\$265K for electric and \$240K for phone). Sales Tax is also under budget by \$353K. In addition, Court Revenues were less than budgeted by \$449K due to recent municipal court changes.

b. Expenditures

Expenditures for the General Fund are about \$1M less than originally budgeted. \$375K was budgeted for Computer Software that was deferred until FY 2018. Police is about \$368K under the original budget due to savings on vehicle maintenance, fuel, health insurance and pension contributions. Park Maintenance is \$116K under budget due to less needed for grounds maintenance and personnel costs. Street Maintenance is \$134K under budget due to less spent on equipment and vehicle maintenance. However, the following departments were over their original budget: Legislative (\$14K), Building Maintenance (\$58K) and Public Works-Admin (19K).

c. Transfers

No Transfers have been made yet, but \$400K will be transferred from the General Fund to the Capital Fund, as done in the past.

As of now, there is an operating surplus of \$40,170, but once the \$400K is transferred out to Capital Fund, there will be a deficit of about \$360K, which is higher than we anticipated.

2. Municipal Enterprise Fund

a. Revenues

Revenues for the Enterprise Fund were significantly higher than anticipated in the original budget by \$221K. However, \$120K of this came from the Dielmann Tower Lease Payment, where the rest came from Ice Arena rentals (about \$100K more than anticipated).

You'll also notice \$500,225 in FY 2016 as a Capital Contribution. This is the amount of the Dielmann Center building renovation that needed to be added to the books of the Enterprise Fund since it was expensed in the Capital Fund, but was for the Enterprise Fund. Essentially, it treats the expense from the Capital Fund as a Donation to the Enterprise Fund, so it records the improvement of the building in the Enterprise Fund as a Capital Contribution.

b. Expenditures

Both Snack Bar and Ice Arena expenditures were above original budgets. Most of the Ice Arena overage relates to the ice and compressor repairs made during the year.

3. Capital Fund

a. Revenues

At this time, revenues for the Capital Fund are down about \$845K from the original budget. However, all of this is due to money from Other Agencies not being received yet. Once we have that money and complete the \$400K transfer from the General Fund to the Capital Fund, the Capital Fund revenues should be more than budgeted.

b. Expenditures

Expenditures are also down by approximately \$550K, but not all of the project costs have been paid. However, total year-end expenditures in the Capital Fund are projected to be higher than budgeted due to projects that were unanticipated for FY 2017.

4. Investments

Interest rates were up slightly, and as a result, interest income increased in 2017.

While overall revenues were down substantially for FY 2017, expenditures were also down; but once the transfer from the General Fund to the Capital Fund is completed, the General Fund will net a deficit slightly larger than originally budgeted. However, because sales tax and utility tax revenues have been trending down, we will need to keep a close eye on revenues in the future and start researching other new revenue options.

The revenue performance of the Enterprise Fund has improved from previous years, ending with an increase in revenues and no General Fund transfer to the Enterprise Fund. Revenues increased significantly at the Ice Arena and slightly increased at the Snack Bar. However, there were unanticipated expenditures for ice and compressor repairs. While the financial reports currently show a surplus in the Enterprise Fund, the Depreciation hasn't been recorded, so it is likely the fund will have a slight deficit for FY 2017.

It looks like the Capital Fund might also end with a deficit for FY 2017 due to an increase in capital projects. But, based on the current 5-year plan, it looks like the Capital Fund will be in good shape for the near future.

It should be noted that the figures for this report are preliminary for FY 2017. Additional revenues and expenditures will be recorded to the funds as the August revenues come in and additional bills are paid. Even with those additional unrecorded revenues and expenditures, I do not anticipate substantial changes in the operating results.

I would be pleased to respond to any questions.



City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2017
FY 2017

	Annual Budget	Adjusted Budget	YTD Actual	YTD Encumb	Actual As % of Adjusted Budget	2016 4th Qtr Actual	2016 Actual As % of Budget
<u>General Fund Revenues:</u>							
Property Taxes	563,000	563,000	569,357		101.1%	540,881	95.7%
Utility Taxes	6,238,000	5,733,000	5,631,019		98.2%	5,964,434	100.2%
Intergovernmental	6,837,000	6,672,000	6,540,476		98.0%	6,787,044	101.0%
Licenses and Permits	906,450	1,031,450	1,025,920		99.5%	1,064,894	110.7%
Charges for Services	117,500	117,500	96,519		82.1%	92,811	85.2%
Municipal Court	1,000,000	575,000	550,811		95.8%	933,401	103.7%
Other Revenues	482,578	482,578	574,347		119.0%	608,439	99.3%
Transfers	0	0	0		0.0%	0	0.0%
Total Revenues	16,144,528	15,174,528	14,988,449		98.8%	15,991,904	101.2%
<u>General Fund Expenditures:</u>							
Legislative Services	409,783	430,487	423,585	906	98.6%	400,470	99.8%
Administrative Services	1,209,669	872,097	831,047	11,827	96.6%	787,806	92.3%
InterDepartmental	557,194	545,494	514,048	5,676	95.3%	544,677	95.5%
Maint. of Municipal Prop.	388,230	482,295	446,242	12,235	95.1%	311,096	88.8%
Municipal Court	339,067	325,127	306,292	3,600	95.3%	309,195	94.5%
Finance Department	619,672	618,722	601,648	5,575	98.1%	598,328	98.9%
Police Department	7,290,342	7,092,350	6,921,936	1,347	97.6%	6,797,208	97.0%
Park Maintenance	525,055	470,555	409,330	0	87.0%	443,893	96.6%
Community Services	121,053	111,203	98,613	0	88.7%	92,621	74.3%
Public Works - Admin.	542,739	575,239	561,658	0	97.6%	481,499	96.7%
Street Maintenance	1,705,735	1,679,795	1,571,798	25,617	95.1%	1,512,798	95.6%
Health and Environment	814,800	794,800	782,209	13,797	100.2%	889,305	100.0%
Community Development	1,409,900	1,422,010	1,398,321	972	98.4%	1,340,473	96.8%
Annual Infrastructure Maintenance	0	0	0	0	0	0	0
Total Expenditures	15,933,239	15,420,174	14,866,727	81,552	96.9%	14,509,369	96.5%
Total Operating Surplus (-Deficit)	211,289	(245,646)	40,170			1,482,535	
Transfers To Other Funds	400,000	0	0	0		700,000	
Operating Revenues Over (under) Expenditures	(188,711)	(245,646)	40,170			782,535	

**City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2017
FY 2017**

	Annual Budget	Adjusted Budget	YTD Actual	YTD Encumb	Actual As % of Adjusted Budget	2016 4th Qtr Actual	2016 Actual As % of Budget
<u>Municipal Enterprise Fund Revenues:</u>							
Golf Course	401,219	377,219	369,751		98.0%	397,347	102.5%
Food Service	55,000	55,000	57,602		104.7%	55,854	93.1%
Ice Arena	548,725	619,825	669,238		108.0%	614,354	106.9%
Other Revenues	700	120,700	129,999		0.0%	-31,175	0.0%
Capital Contribution	0	0	0		0.0%	500,225	0.0%
Total Revenue	1,005,644	1,172,744	1,226,590	0	104.6%	1,536,605	103.4%
<u>Municipal Enterprise Fund Expenditures:</u>							
Golf Course	520,221	525,846	495,696	0	94.3%	473,970	96.3%
Food Service	42,307	48,407	48,042	0	99.2%	49,922	94.2%
Ice Arena	476,551	582,951	567,284	6,403	98.4%	518,698	94.2%
Depreciation	0	0			0.0%	248,418	0.0%
Total Expenditures	1,039,079	1,157,204	1,111,022	6,403	96.6%	1,291,008	95.2%
Total Operating Surplus (-Deficit)	(33,435)	15,540	109,165	0		245,597	
Transfers to other Funds	0	0	0	0		0	
Operating Revenues Over (Under) Expenditures	(33,435)	15,540	109,165			245,597	