

Observations Regarding 2017 Financial Statements (January to May)

- 1) Operation and Maintenance Fund Expenditures exceeded Revenues by \$1,107,949. This was primarily due to \$2.45 million in fixed asset purchases during the period. Other funds Expenditures exceeded Revenue by \$346,032. This was primarily due to Capital Improvement Fund expenditures for Transportation, Drainage, and Parks projects and Advertising and Promotion Fund payments for local event advertising.
- 2) Operation and Maintenance Funds actual revenues exceeded budgeted revenues by \$1,888,392. Total for all funds actual revenues were \$1,721,790 more than budgeted revenues.
- 3) Operation and Maintenance Funds actual Expenditures were \$1,403,098 less than budgeted Expenditures. Total Funds actual Expenditures were \$1,671.128 less than budgeted expenditures.
- 4) Operation and Maintenance Fund Balances totaled approximately \$33.54 million at the end of May.
- 5) Total actual Sales Tax revenue for May 2017 was more than the May 2016 amount by \$67,940(2.63%). May actual amount exceeded the budgeted amount by \$98,810 (3.87%).Year to date combined sales taxes are up 2.78% compared to the same period in 2016.
- 6) Combined State Turnback revenue for May was \$10,332 (3.05%) more than the 2016 amount and \$37,967 (12.19%) more than the budgeted amount. Year to date combined State Turnback is up 4.35% compared to the same period in 2016. State Highway 1/2 percent sales tax actual amount was \$7,831 (7.06%) more than the May 2016 actual amount. Year to date amount is .83% higher than the same period in 2016.
- 7) Franchise tax actual revenue increased by \$2,440 during May compared to May 2016. The year to date amount is up \$79,508 (8.89%) when compared to the same period in 2016. This is due primarily to a one time catch up payment of almost \$50,000 from a communications utility for past years' taxes.
- 8) Advertising and Promotion Taxes (Hotel/Motel) were down \$9,623 (-15.33%) when compared with May 2016. Year to date amounts were down 1.75% when compared to the same period in 2016.
- 9) Alcohol Beverage taxes decreased by \$678 (-1.77%) compared with May2016. Year to date amounts decreased by \$1,383 (-.74%) when compared with the same period in 2016. This was due to eight establishments not paying in May. Six of the eight have paid as of June 14.

***Observations Regarding 2017 Financial Statements
(January to May)***

- 10) Fuel purchases were \$37,829 (73.5%) more than May 2016 due mostly to higher fuel prices. Gallons purchased also increased by 16,058 (50.14%). Total purchases for the year increased by \$92,691 (42.85%) and the total gallons increased by 10,166 (6.62%). Fuel purchases for the year were \$97,235 (32.59%) less than the budgeted amount.
- 11) Balances in the old (frozen) Non-uniform and new 401A Non-uniform Pension Fund at May 31 were \$9,826,488 and \$1,157,620 respectively. The balances increased \$90,022 in the old plan and by \$42,692 in the new 401 A plan during the month. The City contributed \$23,091 to the 401A fund during the month.