

**December 2020 Financial Report**  
(unaudited)

This monthly financial report highlights the City’s revenue and expenditures by fund, which compares year-to-date actual figures to the budgeted amount and prior year. This is a preliminary report on the entire year’s financials. This report is unaudited and the numbers are subject to change. City Council will be considering a budget amendment to appropriate funding for unexpected expenditures; such as those for COVID-19, stormwater pass-through, and development-related services and the budget numbers will change.

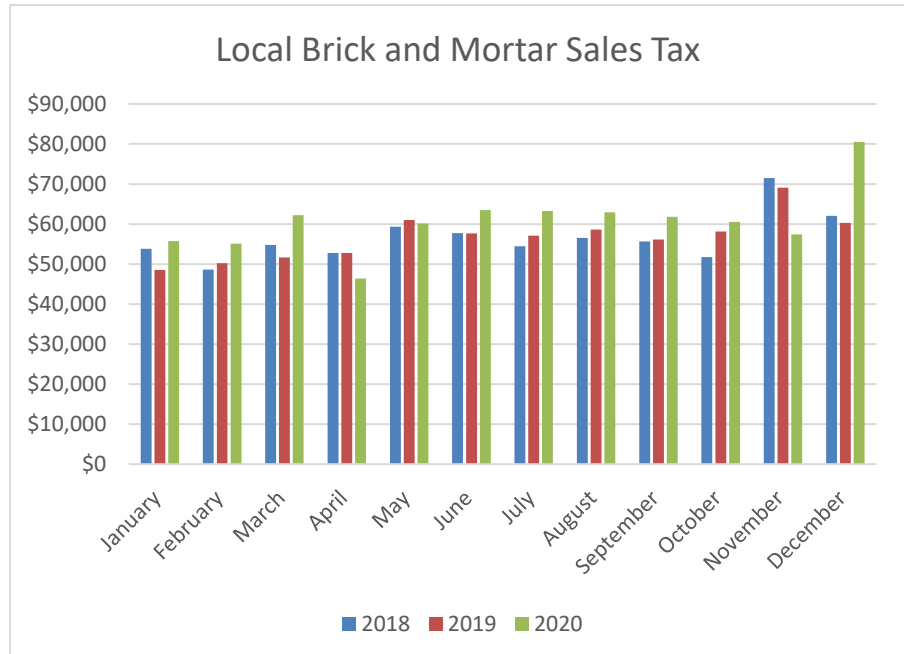
**COVID-19 pandemic** - Except for April (down 4.6%), monthly sales tax revenue continues to exceed the prior year’s months. Through December, sales tax revenue was 17% ahead of 2019. Sales tax revenue was only significantly impacted by COVID-19 in April.

Locally, as shown in the chart and table to the right, the City’s top sales tax-generating local retailers (grocery, restaurant, and beverage) experienced a 34% increase in December 2020 over December 2019. Although the increase is substantial, restaurants were negatively impacted by the County moving to Level Red on the state’s COVID-19 Dial on Nov. 20.

Local Brick and Mortar Sales Tax - 3 year historical collection					
	2018		2019		2020
January	53,837.28	-10%	48,526.31	15%	55,751.30
February	48,583.95	3%	50,196.53	10%	55,070.80
March	54,766.55	-6%	51,693.47	20%	62,229.41
April	52,797.16	0%	52,779.04	-12%	46,393.02
May	59,361.85	3%	61,027.07	-1%	60,121.13
June	57,752.78	0%	57,615.97	10%	63,506.99
July	54,486.15	5%	57,123.44	11%	63,280.36
August	56,526.04	4%	58,637.26	7%	62,899.00
September	55,655.52	1%	56,099.93	10%	61,834.26
October	51,731.13	12%	58,090.74	4%	60,561.79
November	71,469.67	-3%	69,120.90	-17%	57,375.00
December	62,072.92	-3%	60,258.03	34%	80,493.43
total	679,041.00	0%	681,168.69	7%	729,516.49

The comparison of 2020 to 2019 is still in positive territory at 7% for the entire year.

Other revenues impacted by the pandemic are related to vehicle sales and fuel. Through December, auto use tax is 12% less than 2019. December was an excellent month, exceeding 2019 by 59% and bringing the year to up to 12% less than 2019 YTD, which is up from the 18% less reported for November YTD. For the year, highway user tax is down 11% and motor vehicle registration fees are down 1.4% from 2019. The auto-related decreases can be attributed to fewer car sales and fewer miles traveled due to COVID-19. Nationally, Caranddriver.com reported that U.S. new-car sales fell for the second consecutive quarter (1<sup>st</sup> two quarters of 2020) after facing the full impact of the coronavirus shutdowns.



Construction-related revenues remain on the plus side with building permit fees and use tax up a combined 54% through December (slight downtick from 56% in November's report).

Despite the COVID-19 impact to City revenues, the City remains on strong financial footing due to our retail business base being less subject to closures, shifting to self-collection, new revenue from internet sales, and concluding 2019 in good financial shape. We've continued to see improvement and stability since May. On the expenditure side, the cost of the pandemic to the City has been relatively low compared to other jurisdictions and we have received funding to reimburse those costs.

***Charts and line item details follow and accompany this narrative analysis***

**GENERAL FUND**

**Revenues**

- Overall, operating revenues are exceeding expectations with 114% of the budget received. This is a very good sign, considering the COVID-19 pandemic.

General Fund	Budget	YTD Actual (unaudited)	Balance Remaining	% of budget received
<b><i>Operating Revenue</i></b>				
Taxes	\$ 6,316,200	\$ 7,170,061	\$ (853,861)	114%
Licenses/Permits	67,400	171,026	(103,626)	254%
Intergovernmental	1,327,100	1,631,291	(304,191)	123%
Charges for Services	1,685,800	1,935,119	(249,319)	115%
Fines and Forfeitures	260,700	96,084	164,616	37%
Other	55,000	100,887	(45,887)	183%
<b>Total Revenue</b>	<b>\$ 9,712,200</b>	<b>\$ 11,104,468</b>	<b>\$ (1,392,268)</b>	<b>114%</b>

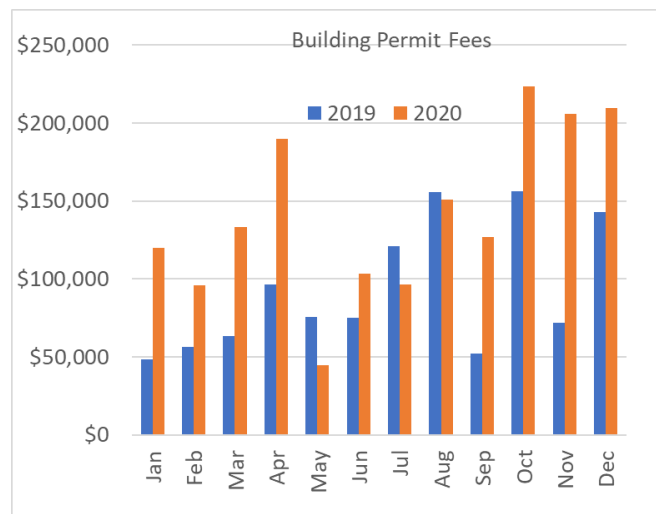
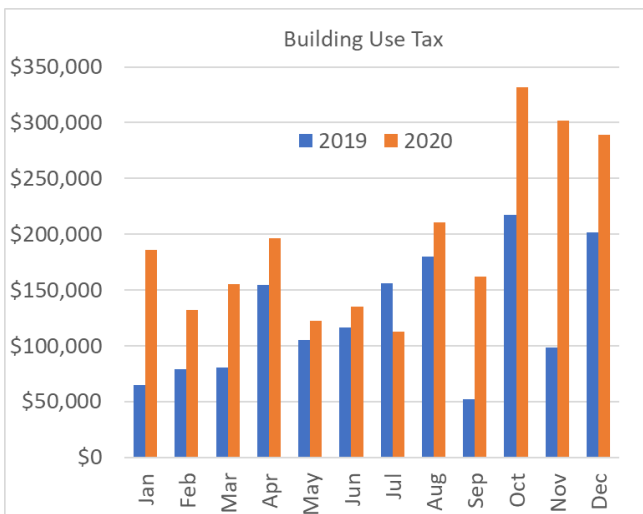
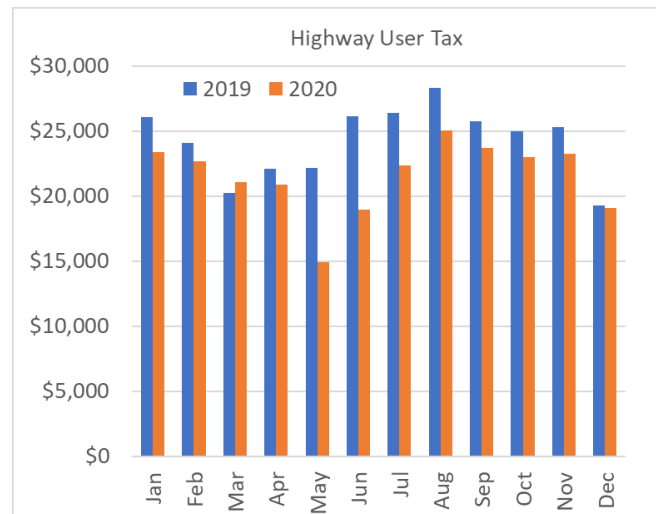
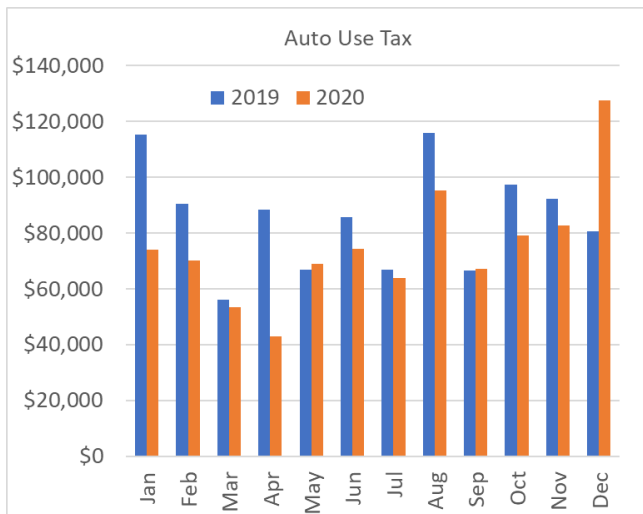
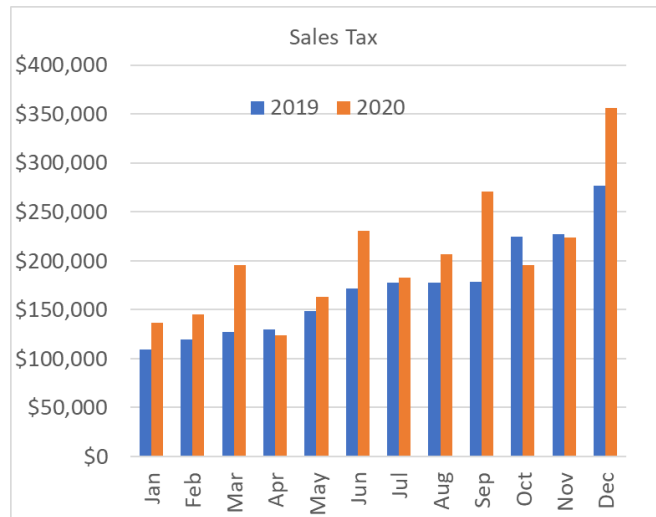
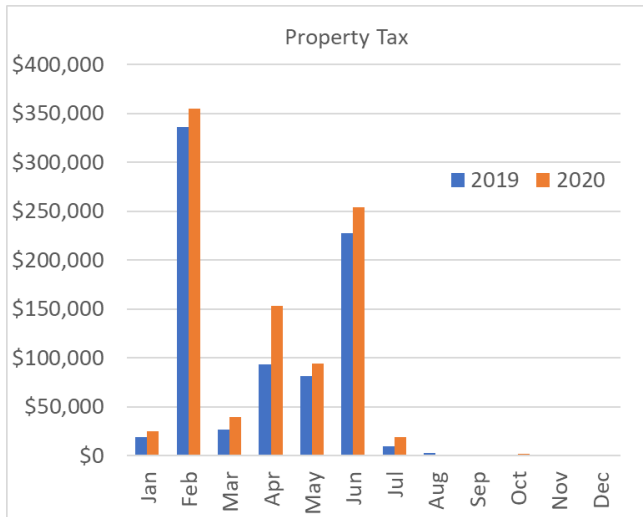
- Taxes - 114% of the budget has been received and 21% ahead of 2019 (up from 19% in November's report).
  - Property tax (see graph below) - 99% received and 18% ahead of 2019. The majority of property tax is received through first half of the year. New construction contributed to the increase over 2019. Between 98% and 102% is typical as collections may be late and caught up in a future year.
  - Sales tax (see graph below) - 125% received and 17% ahead of 2019 (16% in November's report). Increase due to the City's shift to self-collection and sales tax received from on online sales stemming from the United States Supreme Court's Wayfair decision. The City started to see large increases in revenue from internet business-based sales in June 2019.
  - Building use tax (see graph below) - 135% received and 55% ahead of 2019 (57% in November's report). The increase over 2019 is due to an increase in new residential construction within the City.
  - Auto use tax (see graph below) - 82% received and 12% lower than 2019 (18% lower in November's report). December 2020 was 59% greater than 2019. Christmas presents??? Prior to December, May was the best month at 3% more than 2019. April had the largest deficit at 52%.
  - Franchise fees - 92% received and 7% ahead of 2019 (6% in November's report).

- Licenses and Permits - 254% of budget received, which is \$90,058 greater than the budget.
  - Business licenses - 433% received, which is \$16,630 greater than the budget. The 2020 budget is \$5,000 and \$21,630 has been received year-to-date. Following the adoption of the 2020 budget, the City changed the business license fee from a \$10 annual fee to a \$25 biennial fee. The increase can also be attributed to more business licensing due to the Supreme Court Wayfair decision.
  - Right-of-Way/Grading, Erosion and Sediment Control (GES) permits - 403% received, which is \$91,047 greater than the budget.
- Intergovernmental - 123% of budget received and 11% ahead of 2019 (11% in November's report).
  - Highway Users Trust Fund (see graph below) - 92% of budget received and 11% lower than 2019 (12% in November's report). This decrease is likely due to impacts from the COVID-19 pandemic to fuel sales and new vehicle registrations.
  - Road and Bridge Property Tax County shareback - 99% received and 18% ahead of 2019 (18% in November's report). The majority of property tax is received through the first half of year.
  - Sales/auto use tax County shareback - 73% received. Caught up and is now the same as 2019 (3% lower in November's report). The sales tax component of this shareback is 13% more than last year and the auto use tax component is 12% lower than 2019.
  - Building Use Tax County shareback - 115% received and 55% ahead of 2019 (57% in November's report).
- Charges for Services - 115% of budget received.
  - Building Permit Fees (see graph below) - 114% received and 53% ahead of 2019 (53% in November's report).
  - Planning and Zoning Fees - 116% received and 26% lower than 2019 (slow December...16% lower in November's report).
- Fines and Forfeitures - 37% of budget received. This is lower than expectations and is likely due to the COVID-19 pandemic, fewer travelers and reduced enforcement.

### Expenditures

- Overall, 111% of the General Fund budget is expended. A budget amendment will be considered by City Council in March 2021 to appropriate funds for unanticipated expenditures, including the COVID-19 pandemic, stormwater project at Newlin Gulch, and greater than expected development-related services. All budget increases are covered by a related increase in revenue.
- Interdepartmental is 216% expended. COVID19-related expenditures and awarded grants and one-time professional services contribute to this overage. This will be part of the budget amendment request.
- Legal services is 146% expended due to negotiations, land rezoning, pandemic-related work and review of construction documents.
- Public Works and Community Development exceed their budgets by 105% and 111%, respectively. This is due to development-related services exceeding expectations. This will be part of the budget amendment request.
- Economic Development is over expended by 796% or \$667,365. All of this is due to an accounting change related to The Canyons use tax credit. Only 50% of the Canyons use tax revenue was budgeted. The use tax revenue collected in The Canyons will now be counted at 100% and The Canyons use tax credit will be accounted for as an expenditure. The accounting was corrected in 2019; however, the 2020 budget did not reflect this accounting change. This will be part of the budget amendment request.
- Community Events expenditures are only 40% expended due to the cancellation of events because of COVID-19.

The charts below compare City major revenues for 2020 to 2019.



GENERAL FUND	Budget	YTD Actual (unaudited)	Balance Remaining	% of budget received
REVENUE				
<i>Taxes</i>				
Property Tax	\$ 947,600	\$ 941,843	\$ 5,757	99%
Specific Ownership Tax	79,400	81,696	(2,296)	103%
Sales Tax	1,939,600	2,430,998	(491,398)	125%
Building Use Tax	1,733,700	2,335,515	(601,815)	135%
Auto Use Tax	1,093,300	899,638	193,662	82%
Franchise - Electric	210,100	214,543	(4,443)	102%
Franchise - Gas	132,200	103,007	29,193	78%
Franchise - Cable	175,700	161,901	13,799	92%
Franchise - Telecom	4,600	920	3,680	20%
<b>TOTAL TAXES</b>	<b>6,316,200</b>	<b>7,170,061</b>	<b>(853,861)</b>	<b>114%</b>
<i>Licenses and Permits</i>				
Business Licenses	5,000	21,630	(16,630)	433%
Liquor/Tobacco Licenses	2,400	3,486	(1,086)	145%
Contractor Licenses	30,000	22,575	7,425	75%
Sign Permits	-	2,288	(2,288)	n/a
ROW/GESC Permits	30,000	121,047	(91,047)	403%
<b>TOTAL LICENSES AND PERMITS</b>	<b>67,400</b>	<b>171,026</b>	<b>(103,626)</b>	<b>254%</b>
<i>Intergovernmental</i>				
CARES Grant - Federal	-	380,359	(380,359)	n/a
Highway Users Trust Fund - State	279,500	258,098	21,402	92%
Motor Vehicle Registration Fee	38,800	37,851	949	98%
Cigarette Tax	7,300	9,076	(1,776)	124%
Road & Bridge Property Tax - County	466,800	463,562	3,238	99%
Sales/Auto Use Tax - County	309,200	224,315	84,885	73%
Building Use Tax - County	221,800	255,316	(33,516)	115%
FML/Severance Tax	3,700	2,714	986	73%
<b>TOTAL INTERGOVERNMENTAL</b>	<b>1,327,100</b>	<b>1,631,291</b>	<b>(304,191)</b>	<b>123%</b>
<i>Charges for Services</i>				
Planning and Zoning Fees	175,000	202,576	(27,576)	116%
Finance Fees	-	8,715	(8,715)	n/a
Building Permit Fees	1,493,200	1,701,028	(207,828)	114%
Park Land Mitigation Fee	17,600	22,800	(5,200)	130%
<b>TOTAL CHARGES FOR SERVICES</b>	<b>1,685,800</b>	<b>1,935,119</b>	<b>(249,319)</b>	<b>115%</b>
<b>TOTAL FINES AND FORFEITURES</b>	<b>260,700</b>	<b>96,084</b>	<b>164,616</b>	<b>37%</b>
<i>Other</i>				
Interest Earnings	55,000	83,001	(28,001)	151%
Private Grants/Donations	-	5,000	(5,000)	n/a
Stormwater Management Pass-through	2,000,000	3,212,461	(1,212,461)	161%
Miscellaneous	-	12,886	(12,886)	n/a
<b>TOTAL OTHER</b>	<b>2,055,000</b>	<b>3,313,348</b>	<b>(1,258,348)</b>	<b>161%</b>
<b>TOTAL REVENUE</b>	<b>\$ 11,712,200</b>	<b>\$ 14,316,929</b>	<b>\$ (2,604,729)</b>	<b>122%</b>

<b>GENERAL FUND</b>	<b>Budget</b>	<b>YTD Actual (unaudited)</b>	<b>Balance Remaining</b>	<b>% of budget expended</b>
<b>EXPENDITURES</b>				
City Council	\$ 80,300	\$ 63,041	\$ 17,259	79%
City Manager	179,800	184,999	(5,199)	103%
Inter-/Non-Departmental	401,900	869,790	(467,890)	216%
Legal Services	120,000	175,757	(55,757)	146%
Finance	268,400	264,736	3,664	99%
City Clerk	143,300	147,005	(3,705)	103%
Municipal Court	41,300	36,933	4,367	89%
Public Safety	1,053,000	1,034,656	18,344	98%
Public Works	1,738,700	1,833,259	(94,559)	105%
Community Development	1,712,200	1,898,509	(186,309)	111%
Economic Development	95,900	763,265	(667,365)	796%
Community Events	201,800	80,768	121,032	40%
Stormwater Management Pass-through	2,000,000	3,212,461	(1,212,461)	161%
Transfer to Parks/Recreation Fund	196,600	188,594	8,006	96%
Transfer to Capital Improvements Fund	6,560,100	5,646,742	913,358	86%
<b>TOTAL EXPENDITURES</b>	<b>\$ 14,793,300</b>	<b>\$ 16,400,515</b>	<b>\$ (1,607,215)</b>	<b>111%</b>

#### **PARKS AND RECREATION FUND**

- Parks and Recreation Fund revenues are lower than expectations as park usage has been impacted by COVID-19.

<b>PARKS AND RECREATION FUND</b>	<b>Budget</b>	<b>YTD Actual (unaudited)</b>	<b>Balance Remaining</b>	<b>% of budget received/ expended</b>
<b>REVENUE</b>				
Park Use Fees	\$ 20,500	\$ 13,470	\$ 7,030	66%
Insurance Recovery	-	13,540	(13,540)	n/a
Transfers In	196,600	288,594	(91,994)	147%
<b>TOTAL REVENUE</b>	<b>\$ 217,100</b>	<b>\$ 315,604</b>	<b>\$ (98,504)</b>	<b>145%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 326,600</b>	<b>\$ 315,604</b>	<b>\$ 10,996</b>	<b>97%</b>

#### **CONSERVATION TRUST FUND**

- Lottery proceeds revenue was less than budgeted coming in at 83% of the budget for the year.
- The \$100,000 expenditure is the City's contribution to the Rueter-Hess Recreation Authority for recreation improvements.

<b>CONSERVATION TRUST FUND</b>	<b>Budget</b>	<b>YTD Actual (unaudited)</b>	<b>Balance Remaining</b>	<b>% of budget received/ expended</b>
<b>TOTAL REVENUE</b>	<b>\$ 69,400</b>	<b>\$ 57,842</b>	<b>\$ 11,558</b>	<b>83%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 115,000</b>	<b>\$ 100,000</b>	<b>\$ 15,000</b>	<b>87%</b>

**CAPITAL IMPROVEMENTS FUND**

- Most capital improvements are funded by the General Fund via a transfer.
- The City received \$3,422,223 from the sale of land by a developer pursuant to a public-private partnership agreement, of which \$378,718 paid for the design costs for the municipal facility. Design was completed through 100% construction documents. Construction of the facility was delayed by City Council and not budgeted in 2021's budget.
- The \$94,000 revenue budget is IREA's contribution (50%) to new light poles.

<b>CAPITAL IMPROVEMENTS FUND</b>	<b>Budget</b>	<b>YTD Actual (unaudited)</b>	<b>Balance Remaining</b>	<b>% of budget received/ expended</b>
Revenue	\$ 94,000	\$ 3,422,223	\$ (3,328,223)	3641%
Transfers In	6,560,100	5,646,742	913,358	86%
<b>TOTAL REVENUE</b>	<b>\$ 6,654,100</b>	<b>\$ 9,068,965</b>	<b>\$ (9,068,965)</b>	<b>136%</b>
<b>EXPENDITURES</b>				
Major Roads/Streets Construction	\$ 5,825,000	\$ 5,311,164	\$ 513,836	91%
Lagae Road Improvements	596,600	48,785	547,815	8%
Pedestrian Safety Improvements	75,000	4,455	70,545	6%
Happy Canyon Bridge	-	10,134	(10,134)	n/a
Traffic Signal Upgrades	125,000	84,530	40,470	68%
Gateway/Wayfinding	364,000	33,787	330,213	9%
Municipal Facility	438,100	378,718	59,382	86%
Light Poles	188,000	109,502	78,498	58%
Fiber Conduit	-	44,385	(44,385)	n/a
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,611,700</b>	<b>\$ 6,025,460</b>	<b>\$ 1,586,240</b>	<b>79%</b>